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CONCERN OVER DEFERRED RESETTLEMENT OF BOAT PEOPLE

Kuala Lumpur BUSINESS TIMES in English 15 Apr 81 p 6

[Article by Michael Richardson in Singapore]

[Text]

THE US has deferred hundreds of cases of Vietnamese boat people applying to go to America from camps in Southeast Asia because of doubts that they are genuine refugees.

The US move has angered governments of other leading refugee resettlement countries, including Australia and Canada. They fear that they may have to take more Vietnamese as a result.

The office of the United Nations High Commissioner for Refugees is concerned because the US acted without consultation in a manner which calls into question the whole basis of the programme to resettle those leaving Vietnam by boat — about 75,000 in 1980 alone.

Non-communist countries in Southeast Asia, where boat people land and enter camps before being processed for resettlement outside the region, are also worried that they may be left with a residue of Vietnamese whom no one wants.

Partly as a result of this concern, Indonesia — which has been one of the most generous nations in allowing Indochinese boat people temporary asylum — said recently that it would allow no more than 10,000 refugees at any one time into its special camp on Galang Island, south of Singapore.

Informed sources said that the boat people resettlement problem, which they described as serious, began when the US Immigration and Naturalisation Service (INS) deferred hundreds of entry approvals for Vietnamese. Those affected were in camps in Hong Kong, Malaysia and, to a lesser extent, Indonesia.

All of them had been selected by representatives of US voluntary agencies under the supervision of the State Department. But final approval for entry to the US has to be given by the INS — an arm of the Justice Department.

The INS decided to defer about 50 per cent of resettlement cases in Hong Kong camps in January and February, nearly 40 per cent in Malaysia, and about 9 per cent in Indonesia. It said deferred cases would be reviewed because they did not appear to be refugees from persecution or political repression.

This reflects the views of a substantial number of Western refugee officials involved in interviewing boat people from Vietnam. These officials say that there has been a marked change in the type of people leaving Vietnam by boat over the past year.

They say that more than half of all arrivals now are young, single

males — many of them draft dodgers.

There is also a much larger proportion than before of people, including fishermen and peasants, who are leaving for economic reasons in the hope of finding better jobs and living conditions in Western countries.

About 85 per cent of the boat people are ethnic Vietnamese. Only 15 per cent are members of Vietnam's officially-suspect Chinese minority, who were forced to leave in large numbers by boat several years ago. Informed sources said the State Department and the Justice Department in Washington were discussing the refugee selection problem in an attempt to break the impasse.

A new refugee act approved by the US Congress in March last year defines a refugee as a person who is outside his or her country of habitual residence, and unable or unwilling to return to it "because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group or political opinion..."

The INS has been applying this definition strictly in scrutinising Vietnamese boat people this year. — By special arrangement with The Age, Melbourne

WRITER ANALYZES CURRENT SITUATION IN BANGLADESH

Madras THE HINDU in English 10, 11, 18 Apr 81

[Three-part article by Gautam Adhikari: "Bangladesh Revisited"]

[10 Apr 81 p 8]

[Text] Islamic militants are staging a comeback; the Jamat students' front has gone on the offensive beating up even ruling Nationalist Partymen. There are also reports of rightwingers getting West Asian arms. Added to this is the dismal economic scene.

The Change Is Alarming

A decade ago a new nation was born in Asia. Perhaps appropriately, though regrettably, the birth was a bloody one. But the birth pangs are not entirely over, the blood is not visible on the surface in Bangladesh but the wounds are painfully there even as the nation gropes its way towards adolescence.

To the casual visitor there are some subtle as well as obvious differences in the situation today from that of 10 years ago. In 1971, when the new nation was officially born, the pivotal figure was Sheikh Mujibur Rahman, then known as the father of the nation and Bangabandhu. Not only is he physically absent today, his name is now at best a centre of political controversy in Bangladesh. The independence eve speech of the current head of State, Gen Zia-ur-Rahman, televised to the nation on March 25, 1981, contained no mention of the Sheikh.

President Rahman made a more general reference to the struggle and sacrifice of all those who contributed to the independence war. But the late Sheikh's portrait, a modest one, has found its place in the gallery of portraits in a hall of Banga Bhavan. President Rahman did on a couple of occasions during the past year briefly acknowledge the Sheikh's contribution to the emergence of Bangladesh. Otherwise, Sheikh Mujibur Rahman officially remains a hero and 'Bangabandhu' only to his followers in the Awami League which is now a mere opposition party struggling to remain united.

What the common man of Bangladesh feels is difficult to gauge for the casual visitor. Possibly, a majority of men and women retain a degree of sentimental attachment to the memory of the Bangabandhu, but his last couple of years of bad administration and his unfortunate attempts to introduce one party rule balance the people's feelings.

Razakars' Comeback

On the other hand, a more alarming change in the political situation appears to be taking place. The Razakars and Al-Badrs, those despised agents and collaborators of the colonial powers of 1971, seem to have made a definite comeback in Bangladesh politics. It is not just that a handful of the milder variety of Razakars hold government jobs. What is more remarkable is the comeback staged over the last year or so by more hard-core elements through fundamentalist groups like the Jamat-E-Islami and the Islamic Democratic League.

Today, even President Rahman, who has been deftly playing a balancing game to outwit his opponents in the political field, appears to be disturbed at the resurgence of fundamentalist forces in recent days. In a speech the other day, h. Zia warned: "The enemies of independence are raising their ugly heads again."

Privately, leading members of the Government and the ruling Bangladesh Nationalist Party (BNP) concede that the Jamat seems confident enough to try overstepping its limit. Pro-Jamat forces have swept students' union elections at some places, notably at Chittagong University where they captured 22 out of 25 seats in what was once a stronghold of the student supporters of the Awami League.

Recently they brought out a massive procession in Dacca under the banner of Chatra Shibir, the Jamat student front, the sheer size of which greatly disturbed the other opposition parties as well as the BNP. The Jamat, particularly Chatra Shibir, has gone on the offensive at a large number of places--Khulna, Barisal and Rangpur. They attacked freedom fighters, members of the Bangladesh Mukti Joddha (Freedom Fighters) Sangsad. This organisation has in its ranks supporters of all major parties in Bangladesh and in Rangpur at least a number of BNP supporters were among those beaten up by the pro-Jamat forces.

President Rahman and other leaders of the Government and the ruling party are making it a point to attack the fundamentalists whenever they get an opportunity. Opposition parties, members of Parliament and Mukti Joddha Sangsad have come out with strong condemnation of the Jamat almost every day over the past couple of weeks and at a number of places various disparate groups combined to resist the Chatra Shibir physically.

The Jamat and the Shibir have, of course, denied that they are sheltering Razakars and Al-Badrs. The acting Amir of Jamat-E-Islami, Mr Abbas Ali Khan, said recently that "the ruling party in the country is feeling the growing popularity of my party as a challenge" which, he claimed, was reflected in the incidents at Rangpur, Bogra and Barisal. He said that the Jamat also had a large number of freedom-fighters in its ranks, although he could not quote ready figures. His party had no conflict with the freedom fighters. The present conflict is "between the ruling party and the Islamic masses."

'Threat From India'

The Amir asserted that Bangladesh was facing a threat from the "hegemonist India" and only Islamic principles could give a correct direction to the people of Bangladesh to safeguard their independence.

A senior member of the Bangladesh Government told THE HINDU that the people of Bangladesh would never allow a reversal of 1971 by throwing their weight behind organisations like the Jamat. "All major political parties are against religious fanaticism. If necessary, the fundamentalists will be resisted by the combined effort of all parties--the Opposition as well as our party (BNP). Don't quote me by name but you may write that down.

"To the people of Bangladesh today, there are four issues on which there can be no compromise. First, there is no question of our independence being challenged. Bangladesh is here to stay. Second, the national flag and national anthem cannot be tampered with. Third, the spirit of Bangladeshi nationalism cannot be sacrificed and finally there is the people's determination to have independent foreign and economic policies. On all of these issues the religious fundamentalists pose a threat to the people of Bangladesh."

Politically conscious people opposed to the Jamat often accuse Sheikh Mujibur Rahman of having negatively encouraged the resurgence of right-wing fundamentalism by granting a general amnesty to all Razakars. Awami Leaguers do not say this, but all other Opposition groups feel, in varying degrees, that the Razakars problem should have been settled at the beginning, if not through violence at least through constitutional means.

The Opposition groups are, also, almost unanimous in pointing out that Mr Zia, in his pursuit of a politics of balancing, encouraged directly and indirectly a situation in which the growth of right-wing fundamentalism would find ready ground.

This is said of the President not only because he included in his Government persons who did not have a clean record during the independence struggle. After all, considering the circumstances in which he came to power, he could not be expected to form a Government with Awami Leaguers, left-wing militants like JSD (Jatio Samajtantrik Dal) and other left groups.

But this clear anti-left line and his dropping of secularism from the constitution, were two factors that could have prepared the ground for extremist groups. He may well have adopted his quasi-Islamic posture to muster residual support from the anti-Awami League and anti-JSD sections of the people and also for reasons of foreign policy and economic aid.

Saudi Arabia's Role

Also, the Government for some strange reason allowed the return from Pakistan of a very prominent Razakar who continues to stay in Bangladesh without valid documents. He has been active politically among the right-wing fundamentalists for the past one year but the Government has not considered it imperative to throw him out.

He is Mr Golam Azam, who today openly adopts a pro-Pakistan stand, and is possibly the most important leader of the fundamentalists. Has he found it possible to move so freely because of external pressure on the Government? Perhaps West Asian pressures, particularly Saudi Arabian pressure?

These are the questions that are increasingly being asked in Bangladesh. The role of Saudi Arabia as a possible financier of fundamentalism is apparently a matter to be seriously considered and some recent speeches of the Saudi Ambassador in Dacca have attracted sharp criticism from various political quarters which are opposed to the Jamat line.

In one speech the Ambassador congratulated the people for having formed an Islamic State in 1947 but the speech did not give much importance to the independence struggle that led to the emergence of Bangladesh in 1971. There were also rumours of West Asian arms being acquired by right-wing extremists. And in a highly strung society such wild rumours are given more than due credence.

Economic Compulsion

It may well be that because of economic compulsions the Government of Mr Zia has occasionally been urged by West Asian nations towards religious revivalists. But as things stand today, he may be having serious misgivings about the long-term implications of fundamentalism.

Such a realisation, added again to the dire economic compulsions, could be a major reason for Mr Zia's now frequent jaunts abroad, particularly to Islamic nations and to meetings of the Organisations of Islamic Countries in Jeddah, Taif, and elsewhere.

The presence of Yassir Arafat of the PLO and President Sekou Toure of Guinea at the independence day celebration is also being interpreted widely as a worried President's astute public relations work.

Despite earning him guarded to rude descriptions as the world's great travelling President, Mr Zia's contacts with a broad spectrum of Islamic countries clearly mean a lot both nationally and domestically. He could tell the fundamentalists in his own country: "Look I am doing much more for the solidarity of Islam than you are" while Arafat and Qadhafi of Libya could be used as restraints on the more right-wing Islamic nations who may be interested in Bangladesh.

Credible Leader Lacking

A year ago when this correspondent visited Bangladesh, a political polarisation appeared to be taking place between the ruling BNP on the one hand and an opposition front known as Das Dal (10 parties). Mr Zia, as is his wont, was cleverly walking the political tight rope and still doing it reasonably well. Today, the resurgence of the Jamat calls for even tighter balancing.

Ordinary political parties in the opposition may not be in a position just now to capture power and that too through constitutional means. Apart from their disunity and obsession with non-issues, they lack a credible leader who could be unanimously presented before the people as an alternative to Mr Zia's brand of stable leadership.

But the Jamat is a different kettle of fish, not that it aspires to total political power as such: what is more disquieting is its ability to act as an increasingly irritating pressure group which seems to have abundant finance. It is even feared in certain quarters that Jamat elements may have infiltrated the army in the middle and lower ranks and that factor would be positively more disturbing for Mr Zia than a mere political threat in the conventional sense. In any case, politically speaking, fanaticism is difficult to handle and the Jamat has considerable potential of releasing fanatics to start bloodshed.

Ten years since liberation the picture has, therefore, changed somewhat. The threat from fundamentalism may not be real, serious yet and the people of Bangladesh seem unlikely to allow any reversal of the main achievements of 1971. However, it is a threat all right for concerned people. Especially in view of the one unchanged part of the picture--the economic sense--which remains as dismal and externally dependent as ever.

[11 Apr 81 p 8]

[Text] Where the 'Elephant Syndrome' Is at Play

ANY grossly underdeveloped nation in the throes of a struggle for survival would almost as a corollary of international political law, attract the attention of superpower birds of prey. Additionally, a flock of lesser cormorants could be interested in nibbling. The predicament of Bangladesh is no exception to this unfortunate reality.

With a development budget dependent on external aid to the extent of 85 per cent, with poor domestic resource generation and a savings rate that has just crossed over from a negative one to barely four per cent, with poverty, illiteracy, malnutrition and ill-health grinding an overwhelming majority of the burgeoning population (density over 1500 per square mile) Bangladesh has little option to appealing for international generosity. It is the 'international basket case' as Dr Kissinger once observed.

The problem is that international benevolence rarely, if ever, comes without a puppeteer in the background. Consequently, Bangladesh has a desperately hard job in handling foreign policy independently and without succumbing to pressure.

Geopolitical factor

Added to that is a geopolitical factor. Bangladesh has the Bay of Bengal on its south and India on the other three sides. For some people in Bangladesh, the choice is a compulsive one between India and the deep blue sea while others suffer from what someone once described as the 'elephant syndrome'. Which is that

when you are a nervous lesser animal having to share a bed with an elephant, it may be prudent to act the porcupine more often than not and this seems to be the option being exercised by the current ruling elite of Dacca.

On the economic side, relations with India are improving every year, trade between the two countries has more than doubled. A recent Indian engineering goods exhibition in Dacca was a tremendous success and the possibility of more joint venture projects coming up is bright.

Mr. Jameluddin Ahmed, Deputy Prime Minister of Bangladesh, put it this way: "Every year our economic relations with India are improving on a happy scale. On bilateral issues — Fisheries, maritime boundaries and so on — a dialogue is on. These issues may not be solved and they should not be expected to be solved so easily. Talks can continue while economic relations improve. We do not have to say that all our differences have been surked, because, after all, there will always be some problems outstanding between neighbours."

Bilateral trade

This attitude fits well with what seems to be the Indian attitude right now. Talks on Fisheries, for instance, can go on without any major change in the situation till at least the middle of 1982 because the current agreement on the sharing of river waters is not due to expire before November 1982.

"Bilateral trade has greatly increased and I can assure you that the figures for 1980-81 will be even better than the year before" said Mr. Ahmed. "We have nearly doubled our imports and sold five times as much as we sold last year. There have been fruitful visits by important dignitaries from your country and our President has twice visited India in 1980. I have myself been there and I see no reason for any disruption in our relations."

"There have also been exhibitions organised by Indians — books, engineering goods — also visits by football teams, journalists like you."

What about more meaningful participation from India in the industrial development programme of Bangladesh?

Joint ventures

"In the second five year plan, we have large areas of investment in both agriculture and industry where Indian involvement could be substantial. It is all a question of mutually identifying those areas. There is a joint venture possibility in sponge iron and I hope it will come through. It will be one of the biggest such ventures anywhere, close to \$200 million."

"We already have eight or 10 joint ventures with India, five or six of which came up in the last one year. There is a three-wheeler assembly plant in Chittagong in collaboration with Bajaj. It assembled 1,600 units last year. Kirloskar has started a diesel engine plant. We have got 750 trucks from Hindustan Motors and we have a proposal from them for a joint venture assembly plant. Union Carbide of India has expressed interest in a dry cell project."

"As we get to know each other well at all levels, some of the problems and prejudices will disappear gradually. Then the real period of cooperation can start as between mature neighbours. One prerequisite is our independence and sovereignty and non-interference in each other's affairs. Talks can go on over the prickly areas."

Political relations

Apart from the specific prickly issues, political relations between India and Bangladesh are distinctly more uncertain than they were five years ago, although, as Mr. Ahmed rightly asserted, economic relations are improving.

India and good neighbourly relations remain matters of controversy in Bangladesh, more correctly at the level of the elite which controls economic and political decision making. Even small matters can rankle. For instance, the same engineering firm which was such a success was not allowed a couple of days' extension by the Bangladesh Government. Was it because Indian capabilities were being too widely admired?

Then there was an extraordinary front page item in a Bengali daily accusing the Military Adviser of the Indian High Commission of organising a conspiratorial party on March 20 at his residence where the invitees were alleged to have included some Awami League leaders and some (non-political) young women.

The consequences of such a report can be grave because it was published in *Dainik Dush* — the party organ of the ruling BNP. The report was stoutly denied a couple of days later by Mr. Tofael Ahmed, an Awami League leader and one of those reported to have been present at the party.

The Indian High Commission possibly chose not to blow the matter up disproportionately. It has officially ignored the reports. In private conversation, Indian diplomats were clearly annoyed and may still be wondering about the motive of such a report in a quasi-official newspaper.

South Asian Forum

And so it goes on — two steps forward on the economic front and then inexplicable steps back on the political front of relations between India and Bangladesh. In fact, political relations are not worse than merely indifferent. Mr. Zia is still keen on pushing ahead with his proposal for a South Asian forum and a South Asian Foreign Ministers' meeting is scheduled at Colombo later this month. Indian cooperation would be rather important for the success of the idea. What could be worrying for Bangladesh is India's relative disinterest in that country, pre-occupied as Mrs. Gandhi might be with worries on the Western front.

Another recent issue which may have affected relations between the two Governments is the continued stay in New Delhi of Sheikh Mujib's daughter, Hasina Wajed, newly elected President of the Awami League, and the recent meeting of the entire presidium of that party in the Indian capital. To the anti-Indian Bangladeshis this would appear as another bit of evidence apparently confirming India's continuing interference in the internal politics of the country.

Historical reality

From the Indian point of view it may be worthwhile noting that in international politics it is impracticable to cash in on the gratitude factor for long. Indian help for the liberation of Bangladesh is a historical reality and Bangladesh is aware of this. Granted the facts of history, India has to strive for a more objective and mature relationship with this populous and hypersensitive neighbour.

Two objective realities that have to be appreciated while trying to understand the Bangladesh point of view are its crippling economic compulsions and the elephant syndrome.

Also, there is a purely personal factor. President Rahman, and this is from a reliable source, has not been fully successful in establishing empathy with Mrs. Gandhi whom he is reported to find difficult to gauge even after two visits to New Delhi.

In the longer term, economic factors are the ones which can make or break relations between countries. Increasing economic cooperation is a fine thing and it should be encouraged. On the other hand, Bangladeshi fears of growing Indian imperialism, particularly through Indian multi-nationals, have to be demonstrated as unfounded.

The economic factor, especially international aid as mentioned earlier, decides most of Bangladesh's foreign relations. For instance, a few cut backs in Western aid and progressively lower net realisation from aid money on account of world inflation can push Bangladesh towards increasing dependence on oil-rich Islamic countries. This, in fact, may be happening though the Bangladesh Government remains on very good terms with the U.S. and other Western countries.

U.S. attitude

The U.S., most likely, would be having eggs in other Bangladesh baskets as well, with Mr. Khondaker Mostaque Ahmed's Democratic League, for instance, or with a section of the Awami League even. But, by and large, it probably finds the Zia regime satisfactory. This is true of Western countries in general as one Western diplomat said in Dhaka: "We quite like him actually. He is intelligent and is running the country reasonably well, given the circumstances. And now if the Arabs share a bit of the aid burden with us, we don't mind it at all".

OPEC aid still does not exceed 10 per cent of the total aid received by Bangladesh over the last five years. But it is showing every sign of increasing year by year. Which could explain the President's frequent trips to Islamic nations and his growing involvement in international Islamic politics. The only trouble is that some Islamic aid-giving countries display as much interest in domestic politics as any superpower and the interest is in religious politics mainly. This has domestic implications for Bangladesh.

Soviet Union is suspect

In contrast, the Soviet Union is on a bad wicket in Bangladesh today. Not only has its public relations work been poor in comparison, with its image building exercises in India. On the aid front, the Socialist countries taken together have given even less than OPEC has over the last five years. The Soviet Union is still suspect in Dhaka and the Soviets, in their turn, do not seem to like the Bangladesh Government overmuch.

A Soviet diplomat, on being asked by your correspondent to comment on Bangla-Soviet relations, first went into a

long discourse on Mr. Brezhnev's desire for peace in the Indian Ocean. Eventually he made the point that Bangladesh has not been unequivocal in its stand on the need for declaring the Indian Ocean a zone of peace, at least not so in recent times.

He contrasted the speech of President Rahman at the U.N. General Assembly last year with the speech delivered by the Foreign Minister, Mr. Shamsul Haque at the non-aligned Foreign Ministers' meet in New Delhi this year. The latter speech was apparently ambiguous on the Indian Ocean question from the Soviet point of view whereas Mr. Zia's was not.

Chinese aid

China, on the other hand, is doing much better and far more quietly than the other powers. It has stepped in with aid where others have been reluctant. For instance, till 1975, the Bangladesh army was almost entirely dependent on India. After the events of August 1975, when Sheikh Mujib was assassinated, a vacuum on the arms aid front developed. After some initial running around, Bangladesh managed to secure a good deal of assistance from China and that is how it has been ever since.

Others have also given a sprinkling of defence aid, mostly by way of training and some boats, but the Chinese are generally in great favour with Bangladesh powers that be, incidentally. Maj. Desai, one of the alleged assassins of Sheikh Mujib is still in Beijing as First Secretary of the Bangladesh Embassy.

In short, Bangladesh is enjoying good relations with the powers which are not on the list of countries most friendly with India although a number of them, the Islamic ones for instance, do have reasonably good working relations with Mrs. Gandhi's Government. This factor should not perhaps be considered a hindrance to mature ties between India and Bangladesh but a deterioration of political relations could turn out to have more serious consequences that the Indian Government would like to consider.

There is in all likelihood little truth in the rumour that the U.S. is securing facilities for a base on St. Martin's Island off Cox's Bazar. Nevertheless, a totally pro-West and pro-China Bangladesh so dangerously close to the volatile North-Eastern States, may be disconcerting to India.

On the other hand the balance can be improved by better economic as well as political relations between the neighbours on a bilateral basis. Despite the various spurs, political relations between India and Bangladesh are not particularly bad but they are not particularly good either. Quite possibly, with the dramatic personnel we have at the moment in Dhaka and New Delhi, qualitative changes for the better will take time to develop.

[Text] A squabbling opposition is the strength of President Zia apart from an excellent grasp of the business of politics. What is the state of the party line-up against him?

A MILITARY ruler in a poor country usually can afford to do without the cosmetics of open political opposition. President Zia-ul-Rahman of Bangladesh, who clearly prefers a brushed up guided democracy to outright khaki dictatorship, has the next best thing. He has a daunted, squabbling opposition and no single formidable rival who can be presented by the opposition to the people as a potential replacement.

The two leading opposition parties are still the Awami League and the Jati Samajtantrik Dal. Both these parties ought to be on a better wicket than they were a year ago because of apparently happy developments within their organisations. And yet such a conclusion would be misleading.

First, the Awami League. Last year, when your correspondent visited Bangladesh, the party was in no position to offer any serious challenge on its own to the ruling BNP and President Rahman. It was riven by factional pulls to the left, right and centre, though personalities possibly counted more than ideological inclinations. It kept postponing organisational elections while gamely struggling on under the nominal leadership of Mr. Mahab Uddin and as the leading partner of the Opposition 10-party front known as Das Dal.

Mr. Masnur Rahman Chowdhury had already broken away and gone more or less into oblivion where his splinter Awami League remains. In fact, it was possibly the sad plight of the Masnur group which alone had acted as a negative cementing factor for the mainstream Awami League. The leaders were mostly just that — leaders without any significant mass following — with the exception of the young general secretary of the party, Mr. Abdur Razzak, who is still privately considered by the others to be a 'country boy' but who retains his hold over the rank and file.

Cohesive force

The Awami League presents a decidedly more cohesive facade. It eventually managed to hold a meeting of its central executive in mid-February this year after a number of attempts aborted, a few meetings degenerating into ugly confrontation among groups which, on at least one occasion, clashed physically.

Today, it has an undisputed official leader, Mrs. Hasina Wazed, Sheikh Mujib's daughter. She is backed by a 12-member presidium and at the February meeting,

she was elected unanimously President after her name was proposed officially by Mr. Razzak. Thus, on the surface, the Awami League presents a united look.

The new factor in the Awami League today is, however, not Hasina. It is probably Dr. Kamal Hossain, the suave Foreign Minister in Sheikh Mujib's Cabinet, who recently returned to Bangladesh after a long spell in a research institute at Oxford University. Political analysts in Dacca point out that Hasina is Dr. Hossain's horse.

It was Dr. Hossain who worked on the other leaders to persuade them that they had no choice between splitting the party and electing the non-controversial Hasina as President. After all, the Awami League continues to bank heavily on Sheikh Mujib's image and his daughter would certainly have considerable nostalgic weight despite her lack of political experience or guile.

Tensions remain

Consequently, the Awami League leaders did not have great difficulty in agreeing on her as President of the party. But that was as far as agreement would go. Tensions remain within the party as do various problems.

One obvious problem would be Hasina's political image. While the fact of her being a relatively unknown quantity could be an advantage vis-à-vis other political parties, her appeal for the people of Bangladesh must remain a matter of speculation. Her blank record of politics cannot help in boosting her prospects as an option before the people to the politically wise Mr. Zia. Whether she has any firm politics of her own or whether she is motivated solely by revenge is uncertain.

Secondly, differences within the party papered over by her election, may resurface in six months or one year if her control over the party is not charismatic enough. That differences exist was underscored by the holding of a recent presidium meeting in New Delhi of all places.

Surely, the Awami League leaders knew the suspicion they would generate if their entire presidium met in New Delhi. If they did, their action could only be explained by the hypothesis that no member of the presidium wanted to be left behind in Dacca while the others conferred with Hasina in the Indian capital. So every one went along, ignoring the credibility risk.

Differing ideologies

The third problem that remains in the party has been possibly magnified by the reported politico-ideological inclination of Dr Kamal Hossain. The ex-Foreign Minister and practising lawyer is widely believed to be pro-West and anti-left. The present composition of the Awami League presidium shows at least five or six persons who could be classified as belonging to the ideological hue, including Mr Tofael Ahmed, the organisation secretary.

On the other hand a sizable pro-Moscow section also remains within the party. Somewhere in the middle, but decidedly left wing would be Mr Razzak and perhaps Mr Matak Ull. Mr Razzak would be more inclined to Moscow than to the West but he is not totally pro-Soviet. He uses Marxist terminology in analysing Bangladesh but he is not entirely antagonistic to the Chinese whom he seems to be ready to give a benefit of doubt.

Islamic revivalism

"Zia is an instrument in the hands of the American imperialists, Saudi Arabia and Pakistan. With China he may be having a special relationship but they are not giving him financial help," Mr Razzak told THE HINDU. The biggest threat however, was from right-wing Islamic revivalism under the guidance of Jamiat-e-Islam which was trying to stage a counter-revolution "with Saudi and U.S. instigation". Mr Zia's game, thought Mr Razzak, was to play these forces against the Awami League.

Under the circumstances, the party had no option but to stay united, Mr Razzak said, despite persisting differences which he thought would be there in any democratic party. Additionally, the Awami League would have to strive for united action with other opposition parties, particularly JSD.

What if the pro-West leaders of his party achieved a workable understanding with President Zia? This charge has been raised in a few circles.

"I do not think that will happen, but if it does, we shall have to take a fresh view of things," Mr Razzak said.

Both Mr Razzak and Dr Kamal Hossain swear by socialism as their ideological goal. At a recent meeting with overseas correspondents in Dacca, the two spoke in one voice on almost every matter although Mr Razzak's emphasis was more left-wing.

For instance, he talked of the need for "scientific socialism" while Dr Hossain seems to prefer a socialism based on cooperatives of an undefined nature. "That socialism which is realistic is scientific," explained Dr Hossain to a questioner.

Mr Razzak firmly described the killing of Mujib in 1975 as "a plot by American

imperialists acting through the Khondaker Zia clique. After being asked to clarify his position Dr Hossain lashed out at Khondaker Moshtaque Ahmed and also agreed that certain people from U.S. agencies were involved in the coup.

It thus appears that the Awami League realises the current need for top level unity. Pro-West Dr Hossain, the left-wing and unsophisticated Mr Razzak and pro-Moscow elements like Mrs. Matia Chowdhury and Mr Mohuddin will, for the time being operate under the same canopy. The future of the party may depend on how long this lasts.

An uncertain party

The other important opposition party, the JSD, is hardly better off. With three of its top leaders released from prison last year, the party should have been appearing far more confident than it actually does. Major (Retd) M. A. Jai, Mr Abdur Rab and Mr Sirajul Alam Khan are back at the helm. But their party seems less strong and more uncertain than it was a year ago.

In the last one year, a sizable section of the students support has gone away from the JSD which has always been a radical party with a strong appeal to the young. All the top leaders have remained but a few others have gone, along with a proportion of youth support to form the Bangladesh Samantantrik Party.

The released leaders are still trying to find their bearings. Mr Sirajul Alam Khan has decided to be non-active on the political front and is concentrating instead on theoretical matters and on bringing out the party journal 'Gondokartha'. In a lively two-hour conversation with the correspondent, he refused to be drawn into current political matters and engaged himself in a debate on theory. Mr Rab was away from Bangladesh. In fact, he was in Moscow in late March and early April when I visited Dacca.

Communal elements

The JSD is apparently trying hard to decide whether it should continue to have a strong underground organisation or whether it should convert itself totally into a mass party. Maj. Jai indirectly acknowledged this debate when, in his conversation with THE HINDU, he came out strongly in favour of mass organisation and mass movement.

"Fascism versus the people is the main contradiction at the moment. Fascism always emerges to save capital. All forces which can be united against fascism should be united. That is the crying need of the hour," said Maj. Jai.

Which were the fascist forces? And which were the forces he would like to see united?

"Today in Bangladesh what is being attempted in the name of Islamic revolution is nothing but revival of reaction. It was the generosity of Sheikh Mujib and the weakness of his class character which permitted this revival today. Even before Razzak and al-Badr were tried, people like me were put in jail.

"The weakness of those days helped communal forces to regroup. Today, reactionary Arab Governments are helping them directly and they are even taking the offensive against freedom fighters. How can a person like Golem Azam (prominent Razzak and pro-Pakistan) continue to stay here without citizenship? The Government is hushing up the matter and we suspect it to be... Zia's planned conspiracy to neutralise the progressive forces. We condemn Golem Azam's presence and we want his trial.

The main threat

"Revivalism is now the main threat. Bangladesh is basically secular — we cannot think of reviving communism. And nowhere in Islam is there any mention of communism. Those who preach hatred against other religions, I do not consider them to be Muslims.

All democratic and progressive forces must now meet this in union, said Maj Jaid. That is — those who want to fight against imperialism and fascism, communism and all reactionary activities.

Common programme

But doesn't the Das Das exist only in name?

"No, a nine party alliance still exists and we are trying to minimise our contradictions. We shall go for a common political programme very soon. At the minimum level of cooperation, our unity will be based on anti-imperialism, anti-reaction, support to professional groups and pro-independence forces. At the maximum level, it could lead to socialism and in the short run, we may even have a united front for achieving this.

What was his view on the Awami League?

"The class character of the Awami League is petit bourgeois. But there is a group which is trying to mould the party along socialist lines. Razzak for instance. Dr Kamal Hossain represents the U.S. group and he is the mentor at present. He has the support of the Indo-U.S. bloc."

In view of the fact that President Zia was increasingly consolidating his control

in the villages through auxiliary political bodies like the village defence force and the gram sarkar, what hopes did he have for the success of a socialist movement?

Economy bad

"Yes, Zia may be trying this but the position of the economy is bad. That will decide matters in the future. For the last few years commercial capital has been dominating industrial capital in such that there has been no industrial growth. This has led to profit without production and accumulation of wealth in a few hands. There is inflation and the banks are all overdrawn.

Also don't forget the condition of the masses. Because of malnutrition, 10 lakhs go blind every year, 40 per cent children die as infants, 85 per cent people are anemic. On top of this the (development) budget is 85 per cent dependent on foreign aid.

"Zia may be catering to the rich few and strengthening the administrative and military set-up. But the strengthening of the superstructure can never sustain a ruling party. Otherwise, the Shah of Iran would have still been in power. If the infrastructure is weak, the ruling junta will get weak sooner or later. Zia's only strength is the weakness of the left and democratic forces.

Very likely, indeed the present Bangladesh Government is talking of growth and increased production like the Governments of other poor countries. But it is not bothered much about redistribution of the economic cake. Simultaneously, President Zia has strengthened the administrative structure over which he and the army have a control even at the village level. The structure is, however, corrupt. Not only the economy, key personnel in the administration depend on continuing aid for kickbacks and survival.

Foodgrain production has been good last year and the inflation rate this year has been kept down to 10 per cent. But, as a senior Government official put it, the balance is precarious. "The only way out of the situation is austerity and not unrestrained consumption by the upper strata of society. Incomes and spending powers have to be levelled and some introduction of the Chinese system is now inescapable."

If the ruling alliance of Bangladesh does not do the belt tightening, someone else will probably choose to do it, possibly through harsh measures. But, as of now, there seems to be no one in sight to provide the leadership for such a fundamental change. That is President Zia's trump, apart from his excellent grasp of the business of politics.

LULL IN FIGHTING AS NEGOTIATIONS WITH BCP APPROACH

Kuala Lumpur BUSINESS TIMES in English 8 Apr 81 p 6

[Article by David Housego in Rangoon]

[Text]

PRESIDENT Ne Win's military regime has initiated negotiations with the Burmese Communist Party (BCP) in the hope of bringing to an end the Chinese-backed insurgency in the mountainous north-east of the country. It is the first time the two sides have talked since 1962.

The Burmese President was encouraged to launch the initiative by the Chinese leadership when he visited Peking in October last year.

China, which has a common border with Burma, supplies most of the arms for the 14,000 insurgents who have tied down much of Burma's 170,000 army in costly and often bitterly fought campaigns. A BCP secret radio station broadcasts out of neighbouring Yunnan province.

Diplomats here do not hold out high prospects for the success of the talks but equally do not believe that Peking would have encouraged President Ne Win into making a peace offer unless there was some possibility of agreement.

Diplomats say that in spite of the signals from Peking that it would lower its support for communist guerrilla movements in South-East Asia as part of its attempt to improve relations with South-East Asian states, there has been no tangible sign of a letting up in its backing for the BCP. As a result there was a note of strain during the visit of Zhao Ziyang, the Chinese Premier, to Rangoon earlier this year compared with the warmer reception he afterwards received in Peking.

None the less with negotiations in the offing, there has been a sharp reduction so far this year in the number of engagements between government and insurgent forces and the regime has deliberately withheld from launching an offensive.

In fierce fighting last year the two sides together are said to have lost several thousand men in the harsh mountainous border areas of Shan state where BCP strength is concentrated.

A major incentive for the regime to look for a settlement is that as a result of the insurgency the military absorbs a third of the budget — an expenditure that the government can ill afford at a time when it is becoming increasingly pinched for funds to finance investment.

Stumbling blocks to negotiations in the past have been the BCP's insistence that it be given de facto recognition of the areas it claims to control including much of eastern Shan state; and the communists demand that they be allowed to hold their own public rallies in Burma.

Both points are non-negotiable to President Ne Win and it would have been unlikely for him to have initiated talks if he thought the communists would hold fast on these points. A more probable source of difficulty is the communists' demand that their troops be integrated into the Burmese army which could lay up trouble later if there was a power struggle within the military after President Ne Win's death.

A reason for Peking to lean on the BCP to come to terms is that the party's present structure dates from 1967 when at the outset of the Cultural Revolution the Chinese People's Liberation Army took the BCP under its wing and encouraged more Chinese cadres to join the party.

The indigenous Burmese and former mainstream wing of the movement was virtually wiped out in fighting near Pagan in the plains in 1975. Chinese support for the BCP may be undergoing the reappraisal that has been applied to the Cultural Revolution itself.

But for Peking there still remain strong attractions in keeping up their traditional pressure on Burma through on the one hand backing the communist insurgency and on the other offering the hand of friendship through Chinese aid and good government to government relations. — FT

COMMENTATOR: U.S. 'LINKAGE POLITICS' WILL NOT WORK

Bombay THE TIMES OF INDIA in English 15 Apr 81 p 8

[Article by S. P. Seth]

[Text] Out-of-turn pronouncements by spokesmen of the Reagan administration create the impression of confusion and incoherence in U.S. foreign policy. But this is only superficially so. A careful study can enable us to clearly identify its broad features. These are: politics of linkages in international relations, particularly between the two superpowers, subordination of all other considerations to an active promotion of what are perceived to be America's national interests and a complete disregard of north-south issues.

Behind America's new 'resurgence' lies an ominous popular belief that the nation has reason to feel aggrieved. The new administration has come to symbolise this sense of grievance against the world. Mr Ronald Reagan's election as president was its articulation in political-power terms.

Needless to say that the formulation of a national foreign policy is hardly possible in such an environment. It is, therefore, not surprising that the present administration is trigger-happy and is compulsively engaged in acts of exhibitionism to browbeat its real or imagined enemies.

A state of 'injured innocence,' which has overtaken the United States, is highly dangerous, having already led to a search for scapegoats to explain its frustrations. Within the country this is reflected in an attempt to suppress the critics of the government in various walks of life, as revealed in a recent issue of the NEW STATESMAN, London. Outside America, the Soviet Union has become the bete noire. In fact, as one American scholar has pointed out, "cooperation with Russians is once again unwise, if not unpatriotic."

Psychology

Explaining the psychology behind this, Mr Dimitri K. Simes, director of Soviet studies at the Georgetown university centre for strategic and international studies, has observed: "Unlike Europeans, Americans are extremely attached to the idea that ethical behaviour and hard work--in foreign affairs as in private life--always have to be rewarded. If something goes wrong, somebody has to be responsible...."

Such conditioned reflexes demand appropriate punishment for those perceived to be responsible for America's failures. According to Simes "looking at some highly polemical and personal attacks of some of the more extreme but influential members of the new right, neo-conservative block, it is hard to avoid the impression that their goal is not only to purify U.S. foreign policy, but also to purify America itself." All this is reminiscent of the McCarthy era.

Professor Galbraith has written about "two great fears" permeating American political life: Fear of communism typified by the conservatives, and fear of being soft on communism which haunts the liberals. He is of the view that the latter is even more dangerous since "few people in modern times rise to such a dangerous level of irrationality as the liberal who feels that he must show that he is as tough on the reds as anybody."

Thus a liberal like Senator Frank Church started the commotion last year about the 'discovery' of Soviet 'combat' units in Cuba, and Senator Howard Baker advised retaliation against the Soviet Union by abrogating the 1962 U.S.-Soviet agreement committing Moscow to keep offensive weapons out of Cuba in return for Washington's promise not to invade that country (Cuba).

It is this national mood which helped elevate Mr Reagan to the presidency. The policy of linkages, as propounded by Mr Henry Kissinger in the early seventies and now adopted by the Reagan administration with fervour, is based on a presumed stable global power balance between the two superpowers.

It was argued that once this was achieved, it would not be necessary for the superpowers to have physical confrontation. They would then be expected to trade off advantages in one field to improve their respective positions in another. Or alternatively, from the American viewpoint, Washington would refuse concessions in some areas (say, arms control, economic cooperation etc.) to coerce Moscow into falling in line in other areas, like withholding support to liberation struggles in the third world.

There is a strong belief in America that Moscow has not lived up to this arrangement worked out with it by the Nixon administration in 1972, and this 'betrayal' is attributed to America's diminishing military power. Hence the present emphasis of the Reagan administration on improving America's military muscle so that it can bargain from a position of strength and force the Soviet Union to accept the relevance of the politics of linkages. The moral overtones of this policy are quite evident. They are reflected in President Reagan's description of the Soviet leaders as "cheats" and "liars."

As with all absolutist doctrines, this one also has its extended application. All particularist tendencies of a pluralistic world order must be subordinated to self-perceived American national interests. Indeed, they must be equated with them.

Sea Change

This is reflected in the sea-change that American policy is undergoing in relations with the rest of the world. South Africa is now a natural ally because of

shared perceptions regarding an alleged Soviet threat. All liberation movements are simply groups of terrorists and those fighting against them are deserving of American political and material support.

The Palestinian question is irrelevant as it distracts from the larger issue of a so-called Soviet threat to the Gulf security. By the same logic, Israel is America's most dependable ally. Arabs must accept the American diagnosis and prescription of what ails their part of the world, and forge a community of interests with Israel by ditching the Palestinians.

If Indians do not accept the American-defined 'frontline' role of Pakistan, it is their tough luck.

America's allies in Europe are not exempt from this self-righteous prognosis. Look at the lecture they received recently from Mr Richard Allen, President Reagan's national security adviser. He expressed his unhappiness over the growth of "outright pacifist sentiments" in these countries, characterising it as the contemptible philosophy of "better red than dead."

Similarly, north-south dialogue has become a casualty of American paranoia. The Mexico summit has been postponed because Washington would need time to study and review the situation. In the same way, there will be no Law of the Sea treaty because Washington has reservations about its provisions regarding the mining of sea-bed minerals wealth. The commodity agreement on tin--part of a series to stabilise the prices of key exports from the third world countries--is aborted because America is opposed to a 'manipulation' of free market forces. Everything must accord with American wishes and vision.

Behind all these distortions of America's foreign policy is of course its obsession with a presumed Soviet threat. This can be explained by a number of factors but the basic one is the loss of America's strategic supremacy and its failure to adjust to the new reality of a rough parity with the Soviet Union.

Even during the detente phase of the early seventies, the United States was willing to accord equality to the Soviet Union only in military terms. Indeed, detente was in itself a kind of favour which Washington was bestowing on Moscow in return for 'promised' good behaviour. There was no question of treating Moscow as a political equal.

With Caution

No wonder that Moscow would not bite the bait. But it has generally acted conservatively, cautiously and prudently. This is the conclusion of a number of American studies on Soviet foreign policy, such as by John F. Triska and David D. Finley, Ken Booth, Adam B. Ulam, R. J. Vincent and, more recently, professor Stanley Hoffmann, at the Harvard university.

Hoffmann discounts the conventional hawkish American view that the "Soviet policy (is) a deliberate, planned, and masterly march towards world domination." "More plausibly," he writes, "it is a relentless attempt at achieving equality with the United States...."

American policy planners and scholars often fail to take into account the fact that actors other than superpowers also have a role to play in international politics. For instance, national liberation movements in Africa, revolutionary upsurges against despotic regimes in Latin America, and the Palestinian movement are not just Soviet creations. They are home-grown responses to oppression.

Superpowers cannot freeze the world permanently into a static existence with or without the politics of linkage.

In a critique of Kissinger's linkage theory, Mr David Watt, director of the Royal Institute of International Affairs, London, writes, "...if, as seems probable, the forces of nationalism and anti-colonialism continue..." to upset Kissinger's geopolitical balance (now sought to be buttressed by the Reagan administration) with no more than general encouragement and a few arms from Moscow, some means of learning to live with the situation will have to be advised.

In other words, the United States must recognise the new realities of its limited power and stop trying to recreate an illusion of supremacy. It did not work in the past when it was unquestionably the superior military power, and it certainly will not work now.

CSO: 4220

GOVERNMENT SIGNS SERIES OF COLLABORATION PACTS WITH UK

Bombay THE TIMES OF INDIA in English 17 Apr 81 pp 1,9

[Text] New Delhi, April 16--India and Britain today signed a series of agreements on industrial, technological and scientific collaboration, which are expected to impart a new depth to their bilateral relations.

Five memoranda of understanding signed by officials in the presence of the two prime ministers, Mrs Indira Gandhi and Mrs Margaret Thatcher, cover cooperation in key sectors of the Indian economy.

In addition, India and Britain signed a double taxation convention. Britain also sanctioned two grants totalling L 91.3 million (Rs. 169 crores)-- L 44.5 million for the Thal-Vaishet fertiliser project and L 37.55 million (matching India's debt liability to the UK for 1981-82) for meeting the local costs of agreed development projects.

The double taxation convention is expected to provide a further stimulus to the development of Indo-British commercial links. In particular, it will be available in encouraging collaboration agreements between the two countries.

However, the convention will have to be approved by the respective parliaments before it comes into effect.

The agreements signed today provide for collaboration and transfer of technology by Britain in coal, power, railways, shipbuilding, petrochemicals and fertilisers.

Britain and India also agreed "jointly to identify and seek early solutions to problems which impede imports from India." This is regarded as significant since Indian exports to Britain declined considerably in 1980.

Both governments recognised the opportunities for collaboration between Indian and British enterprises in executing projects in third countries and undertaking other forms of joint ventures.

Power sector: A memorandum of understanding was signed by Mr. D. V. Kapur, secretary in the department of power, and Sir John Thomson, British high commissioner to India. It recalls the collaboration between the two countries in this field and the British grant of L 60 million for the supply of equipment.

The two sides recognised that there was considerable potential for collaboration in the creation of new power generation capacity.

Coal industry: A memorandum of understanding was signed by Mr R. P. Khosla, additional secretary in the department of coal, and the high commissioner.

Britain is to give India a new grant of L 10 million (about Rs 18 crores) for the coal sector. The grant will be used towards the cost of mutually agreed projects.

These could include for the further assistance towards the continuing programme of fully mechanised Longwall face installations, the purchase of associated equipment to ensure full utilisation of Longwall installation, and for the introduction of new techniques in such fields as exploration, mechanisation of mining methods, training, safety and the solution of other mining problems.

One of the immediate areas for mutual cooperation will be collaboration on the integrated and comprehensive development of individual mines. This will comprise the major reconstruction of the Ghusick colliery in the Ranigan coalfield and construction of a new underground mine at Asnapani in the East Bokaro coalfield.

British consultants will undertake urgently the preparation of feasibility reports on the two mines.

Industries and trade: A memorandum of understanding was signed by Mr R. D. Sathe, foreign secretary, and the high commissioner.

The two sides agreed there was great scope for increased cooperation and collaboration between the two countries extending over a wide range of sectors of industry to their mutual benefit. The aim is to increase the two-way trade between India and Britain.

The financial arrangements under the memorandum may include the provision and guarantee of export credit on suitable terms.

The two sides agreed on increasing cooperation in the railways, oil and natural gas, electronics, port development, fertilisers, petro-chemicals, shipping and telecommunications.

In trade, both governments recognised that the world-wide recession had had particularly adverse repercussions on developing countries like India. They agreed to make vigorous efforts to resist protectionism and maintain and improve the open and multilateral world trading system.

Britain agreed to work for increasing India's exports. It said it would continue to encourage the European Economic Community to give sympathetic consideration to appropriate commercial policy measures to improve Indian exports.

Science and technology: The memorandum agreed that research collaboration should be extended in renewable natural resources, health, technical education and applied sciences.

Space: A five-year agreement, renewable later aims at facilitating Indo-British collaboration in many activities such as space science missions for astronomy and earth observation using satellites and exchange of space technology.

British grants:

Notes on two British grants of L 91.3 million were signed by Mr R. N. Maihotra, secretary in the department of economic affairs, and the high commissioner.

CSO: 4220

GOA CHIEF MINISTER HOLDS NEWS CONFERENCE

Bombay THE TIMES OF INDIA in English 15 Apr 81 p 6

[Text] Bombay, April 14. "We reject outright any idea of a Vishal Gomantak," Mr Pratapsingh Rane, chief minister of Goa, Daman and Diu, told a group of Bombay newsmen at Panaji yesterday.

Mr Rane said the elected representatives of the people of Goa, Daman and Diu would not do anything which was against the interests of the people.

He said the Vishal Gomantak issue had been raised in the Goa assembly and there had been a general opposition to the suggestion. Though there was no problem whatsoever in the matter of allocation of funds from the Centre to the Union territory, "we are aspiring for statehood for Goa." Resolutions to that effect had been passed in the Goa assembly in 1972 and 1976.

But statehood was not desirable until the territory became self-sufficient in many respects, Mr Rane stated. The Congress(I) government in Goa already had substantial achievements to its credit and the pace of economic, development was heartening.

The Goa chief minister said irrigation and power had been given top priority and with the commissioning of the Salaulim and Anjuna irrigation projects by the end of 1983, the irrigated area would go up from 8 to 25 per cent.

Power Position

Mr Rane said the power position was satisfactory with the territory getting 65 Mw from Karnataka and 20 Mw from Maharashtra against its actual requirement of 100 Mw.

Efforts were being made to set up mini-hydro electric plants of 2 Mw to 3 Mw capacity at the sites of major and medium irrigation projects.

"We are also toying with the idea of setting up our own thermal station," Mr Rane added.

The chief minister said the per capita income of Rs 2,000 in the Union territory was probably the highest in India.

Iron-ore exports touched 17 million tonnes worth Rs 200 crores in 1980.

Mr Rane said more than 500,000 tourists, including 50,000 foreign tourists, visited the Union territory every year. The Goa government was concerned about the trafficking in narcotics wherein hippies were being used as carriers and it would shortly be making such trafficking a non-bailable offence.

"We have to stop such traffic as the hippies have started operating outside our colleges. Those addicted to opium and similar drugs became dropouts with their brain cells deteriorating and reducing their capacity to think and reason for themselves," Mr Rane stated.

Bank Deposits

Replying to a question, the chief minister said nationalised banks were playing a significant role in Goa's development in that the deposits in about 270 branches totalled Rs 325 crores. This was substantial considering that Goa's population was just one million.

The annual foodgrains deficit of 25,000 tonnes would be cut down substantially when the two irrigation projects at Salualim and Anjuna were commissioned.

The Goa government had started the Kadamba Transport Corporation. Twenty of the 40 buses ordered had been received. Initially, it would be operated in the state and would move out to profitable routes outside the state once the fleet position improved.

Thanks to a vigorous afforestation drive and the plantation of teak, rubber and cashew trees, the forest area had reached 27 per cent of the land area. A tree protection bill would also be brought before the Goa assembly soon.

CSO: 4220

FINANCE MINISTER ADDRESSES COMMERCE, INDUSTRY CHAMBERS

Bombay THE TIMES OF INDIA in English 20 Apr 61 pp 1,7

[Text] The Union finance minister, Mr R. Venkataraman, today asked industrialists to either produce more in response to government incentives or face once again the restrictive demand-management policy.

He told the annual meeting of the Associated Chambers of Commerce and Industry (ASSOCHAM) that the government had removed many licensing and administrative controls with a view to promoting growth but the response of industry had not been satisfactory.

He ruled out postponement of the implementation of the Chore committee report on credit regulation and said industry could take up some specific difficult cases with the Reserve Bank.

The finance minister said the government was trying to check the growth in trade gap. Petroleum imports would be brought down from the existing level of 72 per cent of the country's export earnings to 60 per cent. It was proposed to set up more free trade zones to promote entirely export-oriented units in other parts of the country.

Mr Venkataraman said subscription to the special bearer bonds, which in effect was only borrowing on different terms, had started picking up. He turned down a suggestion that some more relief could be given to "honest" assesses even as the special bonds had been floated to attract black money.

The finance minister also disapproved of a suggestion to restrict the scope of the small sector and asked the large industries to live and cooperate with it.

Mr Venkataraman also indirectly turned down the demand for increasing depreciation allowance. He said the series of budgetary concessions announced by the government were intended to augment the availability of funds for private sector investment.

If the response of the business community to these incentives is positive, further concession to encourage savings and investment could be considered.

He also wanted export industries to justify through their performance the number of incentives offered to them by the government. There could not be a sustained policy of liberalised imports, unmatched by a vigorous export performance.

On the sixth plan, which ASSOCHAM complained envisaged a much smaller role for the private sector, Mr Venkataraman said it was an endeavour to implement the massive plan to ensure real growth.

To fears that resources for the private sector would be pre-empted by the public sector and the government, the finance minister said the various incentives were aimed at making the private sector less dependent on the government and more on savings, company deposits and debentures.

The finance minister noted "a conspicuous brightening" of the investment climate and an improved economic climate and the infrastructural scene. These gains would have to be consolidated through appropriate policy initiatives.

Mr Venkataraman agreed with the ASSOCHAM president, Mr M. H. Mody, that problems confronting the economy required quick decisions. He cited "unconventional methods" adopted by the government, such as recourse to syndicated loans in the Euro-currency market for financing public-sector projects and selective permission to viable private industries to raise capital abroad.

Earlier, Mr Mody referred to a formidable array of obstacles which were hampering the growth of organised industry. He welcomed the steps taken by the government towards removal of some of the obstacles but felt that "radical decisions" were still needed to unshackle the economy, which would otherwise be condemned to a three per cent growth rate.

Mr Mody suggested, among other things, regularisation of excess capacities in the consumer goods sector, freeing MRTP units from limitations on investment and capacity creation and adequate incentives to sharpen the competitive edge of the Indian manufacturers abroad.

He said industry was unable to generate funds to maintain its productivity capacity under inflationary conditions.

The finance minister also presented ASSOCHAM awards for import substitution, research and development and achievements in other fields.

The recipients of the awards for 1980 were: Synthetics and Chemicals Ltd, Bareilly, which helped to save foreign exchange worth Rs 1 crore by developing production of rejuvenated butadiene catalyst and fresh butadiene used in the manufacture of rubber for transport industry. [as published]

Syndicate Agriculture Foundation, Manipal, for ushering in a programme for integrated rural development.

Indian Telephone Industries, Allahabad, for generating and developing the largest number of ancillary units in various areas in U.P. for helping small-sector industries.

SAUDI FOREIGN MINISTER SPEAKS TO DELHI NEWSMEN

Madras THE HINDU in English 13 Apr 81 p 1

[Text] New Delhi, April 14--Saudi Arabia considers that withdrawal of Soviet troops from Afghanistan would be "the most direct way" of stabilising the situation in Afghanistan and laying the basis for a settlement of the problem, Prince Saud-Al-Faisal, visiting Saudi Arabian Foreign Minister, told a news conference here today.

Prince Faisal said he had discussed the Afghan situation "thoroughly" with Indian's Foreign Minister, Mr P. V. Narasimha Rao and added, "I can safely say that we were satisfied that the objectives of both the Governments are the same. We have jointly agreed to the resolution of the non-aligned countries and this should reflect, to my mind, the collective approach to deal with this situation."

Replying to a question about the flow of arms to Pakistan from the United States, the Prince said, "Our region is facing tensions from everywhere and one of the results of the tension is an increase in the flow of arms."

Pointing out that peace in the Indian sub-continent was of great significance to stability in the region, he said threats to stability could be averted through cooperation among all the countries in the region.

"We look forward to cooperation between the major countries of this region, especially India and Pakistan."

The Foreign Minister denied reports that there was a "military deal" between Saudi Arabia and Pakistan. Saudi Arabia had a close relationship with Pakistan and there was cooperation between them in many fields, including military field.

To a question whether Saudi Arabia felt itself closer to Pakistan than India, Prince Faisal said his country did not view its relations with any country in this manner.

"We value our relations with India and they are based on our mutual interests. We hope to evolve a relationship with India which will not only reflect the existing reality of our traditional closeness but also our common desire to expand these relationships. We hope that the discussions we had here will lay some ground work for developing a very close relationship with India."

He denied that any restrictions had been imposed by the Saudi Arabian Government on Indians working in Saudi Arabia on the basis of "dress, diet or religion."

Answering questions on the efforts being made by the Islamic as well as non-aligned countries to bring about an end to the Iran-Iraq war, he said he was very much encouraged by the discussions he has had on this matter with the Indian Foreign Minister, Mr P. V. Narasimha Rao.

Mr Rao had given him a report on the efforts being made by the representatives of the non-aligned countries.

The committee of the Islamic countries had been to both Iran and Iraq several times and had presented their proposals. Both countries had commented on the proposals. "The committee feels that this is an encouraging sign and is continuing its efforts. The encouragement which the two countries have given us gives us hope that their efforts will in the final analysis bear fruit."

To a question about Pakistan's efforts to make a nuclear bomb, Prince Faisal said Pakistan has denied this and "we accept this denial."

Arms to Israel: On U.S. arms assistance to Israel, the Prince said Saudi Arabia which along with the other countries was completely backing the Palestinians, felt that the policy of "making Israel secure only leads to more Israeli aggression. Giving arms assistance to Israel to secure its borders is only an excuse for it to commit further aggression." The international community had recognised this.

Prince Faisal also had an hour-long meeting with Mr R. Venkataraman, Finance Minister. It was agreed that an Indo-Saudi economic commission should be set up to explore and expand the scope for economic cooperation between the two countries. Prince Faisal said the commission would soon have its first meeting in his country.

The setting up of joint ventures came up during their talks and it was felt that there was a great deal of scope.

India's interest in Saudi investment and the recent liberalisation of the guidelines for investment from the oil exporting developing countries were brought to the attention of the visiting Foreign Minister.

Mr R. N. Malhotra, Secretary, Department of Economic Affairs in the Finance Ministry, who was present during the discussions, told the Prince of India's "spotless record" in the matter of repatriation of dividends and remittances by foreign companies here.

Replying to a question on supplies and pricing of oil to India, Prince Faisal said the strategy adopted by the Organisation of Petroleum Exporting Countries (OPEC) relating to developing countries concerned security of supplies, balance of payments and development of indigenous energy resources, as well as a programme of action which would provide capital for investment to create such energy resources.

"This would require," he said, "collective international action in the sense that the industrialised world would have to contribute not only capital resources but also technology and the know-how for research and development."

Loan for hydel unit: An agreement was signed by Mr Venkataraman and Mr Mohammed A. Alsugair, vice-chairman and managing director of the Saudi Fund for Development, for a loan of \$32 millions (Rs 26.4 crores) for the Koel Karo hydroelectric project in Bihar.

The Koel Karo project, which will be partly financed by Saudi aid, envisages the construction of two earth dams across the North Karo river and the South Koel river and the installation and equipping of two power stations with a generating capacity of 710 mw.

The project will be carried out by the National Hydro-Electric Corporation. The first phase of the project is expected to be completed by March 1986.

The Saudi fund had earlier extended a loan (of about \$100 millions or Rs. 82.5 crores) for financing the Srisaillam and Nagarjunasagar power projects. These projects envisage the installation of four generating units with a capacity of 440 mw at Srisaillam and a generating unit of 110 mw at Nagarjunasagar.

With the money for the Koel Karo project, the total loan extended by the Saudi Fund will be about \$132 millions (Rs 108.9 crores).

CSO: 4220

RJP LEADER COMMENTS ON CPI-M COLLABORATION OFFER

Bombay THE TIMES OF INDIA in English 22 Apr 81 p 12

[Text] Cochin, April 21 (UNI): The Bharatiya Janata Party (BJP) today turned down the offer of the Communist Party of India (Marxist) for a "collaboration" between the two parties in the "struggle against the Congress (I)'s authoritarianism and in defence of civil liberties."

The all-India BJP general secretary, Mr Jana Krishnamoorthy, at a press conference here, questioned the very motive behind the offer made by the CPM general secretary, Mr E.M.S. Namboodiripad, after his party's politburo meeting in New Delhi.

Instead, the BJP leader laid down a condition for his party's cooperation with the CPM, that the ruling Marxist party in Kerala first change its attitude towards other parties, including the BJP and RSS, before asking for "collaboration," Mr Krishnamoorthy said. He, however, made it clear that the BJP would oppose any Central move to topple non-Congress (I) ministries, including in Kerala and West Bengal.

In a strongly-worded statement, Mr Krishnamoorthy said, "It is an undeniable fact that not only workers belonging to the BJP-RSS are victims of murderous attacks by the CPM, but also those belonging to parties which are partners in the ministry (in Kerala). The CPM cannot eat the cake and have it too," he said.

He wanted to know from Mr Namboodiripad whether the CPM considered peaceful propagation of one's ideology and democratic building up of one's organisation as part of people's civil liberties and democratic rights. If so, then how was it that the CPM was a party to the 77 political murders that had taken place in Kerala since it came to power in January 1980 he asked.

Mr Krishnamoorthy said: "It is customary of the CPM that whenever their party's interests are at stake they go out of the way to woo other parties. Now that they feel that their ministry in West Bengal faces the danger of dismissal at the hands of the Cong.(I) government the BJP which was hitherto considered an untouchable by it is being conceded worthy of collaboration.

He said the Marxist party leaders were themselves responsible for their present predicament. "Was it not the despicable political strategy of the Janata government at the Centre in 1979? Can it be denied that they were hand in gloves with Mrs Gandhi in her conspiracy to bring down the Janata government? Knowing full well the political propensities of Mrs Indira Gandhi the CPM paved the way for Mrs Gandhi's come-back to power and now they are about to reap what they had sown," he added.

INDIAN TO HEAD PROPOSED WORLD JUTE ORGANIZATION

Calcutta THE STATESMAN in English 14 Apr 81 p 9

[Text] The major jute producing countries of the world, at a meeting in Calcutta on Monday organized by the United Nations Conference on Trade and Development, decided to appoint a representative from India as the first executive director of the proposed International Jute Organization. They also agreed to locate the headquarters of the IJO in Dacca.

Briefing reporters after the meeting, Mr L. Hulugalle, chief of the agricultural commodity branch of UNCTAD, said the decisions taken at the meeting would have to be ratified at the joint meeting of the producing and consuming countries to be held in Geneva in May. The formation of the IJO was, however, a near certainty, he added.

The meeting, which will continue for two more days, discussed several articles of the draft of the international agreement on jute submitted earlier by the UNCTAD chairman, Mr F. Jaramillo. The producing countries are expected to finalize their position regarding the draft agreement at the Calcutta meeting. There will be no other meeting of the producing countries before the Geneva conference.

Mr Hulugalle said that initially there was a wide difference in the approaches of the producing and consuming countries with regard to the drafting of the agreement. Since jute goods, unlike oil, were not of vital interest to the consuming countries, and as the jute producing countries were poor, the producers were not in a position to dictate terms to the consuming countries. Mr Jaramillo's package proposal was a compromise formula to draw the consuming countries to the conference table.

He said the producing countries had agreed to restrict their talks to the developmental aspects of jute production and not take up at the moment the question of international price stabilization of the commodity. The consuming countries were vehemently opposed to the producing countries' proposal for fixing minimum and maximum prices of jute fibre and jute goods and the creation of an international buffer jute stock. This question could be taken up later once the proposed International Jute Organization was formed, the producing countries felt.

The producing countries were now concentrating their attention on the details of the organizational structure of the proposed body, like financing, voting rights

and the appointment of personnel. The proposed agreement was of vital interest to the producing countries because jute was now facing serious competition from synthetic products. It was felt that apart from international support from consuming countries, the jute producing countries would have to cooperate among themselves to revitalize the industry, Mr Hulugalle said.

Four major jute producing countries--India, Bangladesh, Thailand and Nepal--were present at the conference. No representative of Burma was present. China and Brazil sent observers to the meeting. The Indian delegation, led by Mr S. K. Sarkar, Joint Secretary in the Union Commerce Ministry, included Mr S. P. Mallik, Jute Commissioner, and Mr A. K. Maitra, chairman of Jute Corporation of India. Mr A. K. Mukherjee, Joint Secretary in the Union Commerce Ministry, presided at the meeting.

The total volume of jute fibre and jute goods sold by the producing countries to consuming countries in 1979-80 was 1.6 million tonnes, valued at \$1.1 billion.

CSO: 4220

SINGH REJECTS DEMAND FOR SEPARATE NEPALI STATE

Calcutta THE STATESMAN in English 14 Apr 81 pp 1,9

[Article by Sumanta Sen: "Gorkha League's Demand Rejected"]

[Text] Darjeeling, April 13--The Union Home Minister, Mr Zail Singh, told a Press conference here today that the Centre was sympathetically considering the demand for inclusion of Nepali in the 8th Schedule of the Constitution.

But the Minister made it clear that there could be no question of granting the Gorkha League's demand for a separate State for the Nepali-speaking population. He said: "A separate State will not help the Nepalese people and the Gorkha League should give up the demand."

The demand for a separate State was one of the first things that the Union Minister came across when he landed at the Lebong helipad this morning. A number of Gorkha League members carried a banner saying "We want a separate State." The route from Darjeeling to Lebong was also full of posters reading "give us our land from Bengal." When a reporter wanted to know his reaction to the CPI(M)'s demand for regional autonomy of hill areas, Mr Singh replied, "The Marxists are in power in West Bengal; but I have not received anything from the State Government regarding this."

Before the Press conference, the local CPI(M) M.P., Mr Ananda Pathak, had met the Minister to apprise him of some of the problems of the hill areas.

The Union Home Minister also allayed fears that the Centre was not willing to hold by-elections in West Bengal next month. He said there was no reason why the Centre should not agree to hold the elections.

Regarding the demand for a separate State, Mr Singh also said he had always opposed the formation of States on linguistic considerations. "This has put India's development back 10 years," he said.

Among those who met Mr Zail Singh today, were the leaders of the All India Nepali Bhasa Samity. They had also met him at Gangtok yesterday but were not pleased with his stand on the inclusion of Nepali in the Eighth Schedule. Today, however, they were happy as "the Minister's stand has completely changed."

The All India Gorkha League submitted a memorandum to the Minister which stated that the demand for a separate State was being raised since the early years of this century. They also demanded protection for Nepalese staying in the north-eastern States and drew the Centre's attention to the alleged deterioration of law and order in the tea gardens during the Left Front regime.

CSO: 4220

WEAKNESSES IN FOREIGN POLICYMAKING EXAMINED

Madras THE HINDU in English 19 Apr 81 p 2

[Article by G. K. Reddy]

[Text] The successful conduct of a country's foreign policy calls for a conscious calculation of how best to sustain its enlightened self-interest, without succumbing to pressures or sacrificing principles. It requires a keen grasp of the power factors, a matching awareness of the limits to one's influence, a sound instinct for comprehending the interaction of varied events, and an unfailing capacity to regulate the responses to different developments in a rapidly changing situation.

There is little place for ad hocism in foreign affairs, much less for any escapism from the inter-play of international influences, although countries often indulge in improvisation to gain time or avoid harsh decisions, in the absence of well thought out policy pursuits or guidelines for action.

Modern diplomacy has become more an agonising test of one's nerves under pressure of events than a cool and cultivated exertion in practising the art of persuasion with a plea for moderation or a display of firmness in deterring excessive ambition. It is a remorseless exercise in real politik by the big powers or a collective endeavour by the smaller ones to avoid the pitfalls of involvement while striving for their self-preservation.

A present-day Foreign Minister has to combine ability with modesty, self-confidence with a sense of purpose, to make a lasting impression. He must be able to do the right thing at the right moment to inspire greater faith in the soundness of his judgments or correctness of his actions, without putting on an air of self-righteousness or indulging in pious platitudes. What matters in the long run in foreign affairs is not the form of a country's internal political system as the propriety of its international behavior, especially towards weaker nations.

Judicious Analyst

A Foreign Minister has to function as a judicious analyst of geopolitics with a good understanding of the cross-currents at work in safeguarding his country's interests and promoting the wider cause of world peace, without allowing own proclivities to get ossified into inflexible postures.

It is not always possible even for the big powers to retain the initiative in all situations, since the very attempt to assert their sway often narrows down their options to single courses of action pre-determined by the logic of circumstances.

It calls for a higher calibre of leadership in keeping up a credible balance between the country's national interests and its international obligations. The success or failure of a Foreign Minister in India lies not only in the degree of confidence that the Prime Minister reposes in him, but also in his ability to carry his party colleagues and subordinates with him in formulating and implementing policies.

Good Rapport

A happy feature of India's foreign policy in the last one year has been the good rapport between the Prime Minister and the External Affairs Minister which has enabled the incumbent, Mr P. V. Narasimha Rao, to function with considerable distinction. As a man of erudition, he has displayed a remarkable capacity for assimilating the complexities of foreign policy and articulating them.

He has been able to provide the necessary team spirit in his Ministry by refusing to play favourites and letting the established procedures prevail in the matter of postings and promotions. He has impressed the visiting dignitaries with his skilful presentation of the Indian point of view on contentious issues, without appearing to be too dogmatic or opinionated in his approach to sensitive international problems.

Unfortunately there are serious gaps at the policy-making level in the present system of government. The foreign policy of the country remains largely what the Prime Minister perceives it to be on the basis of her predispositions. There is little scope for any reasoned debate in depth on the pros and cons of a particular approach, before the Ministry is asked to implement it.

The Ministry itself contributes precious little to the formulation of a policy at the stage when decisions are taken on many vital issues. There is no proper correlation between the official advice rendered by the Ministry and the private opinion sought by the Prime Minister from others who are qualified to suggest an alternative approach in a given situation. The result is a lot of avoidable confusion and cross-purpose, apart from the ill-will generated by this parallelism.

Working Mechanism

A Foreign Minister cannot ask the Prime Minister to change her style of functioning to restore the primacy of his Ministry without coming into conflict with her and risking his position. But he can certainly display greater initiative in creating a better understanding between his Ministry and the Prime Minister's establishment.

His basic responsibility is to pose the various alternatives open to the country in a particular situation and, in the process of debating these alternatives, encourage the Prime Minister to choose a course of action, which in his view is the most appropriate one open to the Government.

He can institutionalise this method of decision-making by evolving a good working mechanism for bringing the Prime Minister's foreign policy advisers and the officials of his Ministry together to take a joint look at a problem, before submitting their recommendations to the Prime Minister through him.

The Minister has to ensure that there is a proper internal discussion on various aspects of a foreign policy problem even after decisions are taken on how the Government should tackle it. The present tendency is to face a problem as and when it has to be tackled within the broad policy frame laid down by the Government.

There are no established procedures for setting up special cells to make a deeper study of what public postures the country should continue to adopt for bargaining purposes, while determining the fall-back positions for settling a controversy or dispute. A delicate exercise of this kind can be conducted only by utilising all available talent without confining it to serving civil servants.

Talks with China

The impending talks with China make it all the more imperative that the Government should make up its mind well before Mr Huang Hua arrives in Delhi how far the country should be prepared to go to settle the border dispute. If he came out with a reasonable offer of conciliation. Though the two Governments have been discussing suitable dates for the visit, there is still no sign of any preparatory work for these talks which are of vital importance.

Similarly, the dialogue with the U.S. on the proposed American bid to rearm Pakistan is being conducted without a clear idea of how far India should go in accepting a limited induction within the bounds of its tolerance.

A proper distinction has to be kept up between what is desirable and what is possible in dealing with a big power like the U.S. which is not amenable to persuasion in moments of indignation. It is no use telling the U.S. that the Indian Ocean should be transformed into a zone of peace without proposing a balanced reduction and progressive elimination of both the American and Soviet naval presence.

The habit of talking only about

the American build-up while saying nothing about the Soviet presence has not helped to make the task any easier of at least persuading the two superpowers to agree to some sort of limitation as a starting point for a phased reduction.

Gulf conflict

It is equally necessary to realise the difference between a moderating role and a mediating effort in resolving the Gulf conflict. The way the peace initiative has been mounted has tended to erase the dividing line between moderation and mediation with the result that the two belligerents have started fearing that the non-aligned peace group might give the benefit of doubt to the other side in its anxiety to bring about an early ceasefire. The avoidable confusion between the two roles has led to the failure of the earlier peace bid followed by the prolonged delay over the initiation of the second effort.

The policy planning unit in the External Affairs Ministry is too small, too inadequately equipped and too low-powered to be able to evolve policy positions on current issues. It has to be done by separate cells of officials and non-officials with the requisite experience specially entrusted with the task

of producing position papers on each important issue, whether it is Afghanistan and the Gulf conflict, the arming of Pakistan and the American build-up in the Indian Ocean, or the nuclear talks with Washington and acquisition of defence equipment from the Soviet Union, the improvement of relations with neighbouring countries and closer links with the African States.

The territorial divisions dealing with such issues are not politically important enough to proffer advice to the Prime Minister and the Foreign Minister, with the result that they have to seek counsel from elsewhere. This state of affairs tends to sap morale and create the cynical impression that policies are not made through reasoned internal debate, but on the basis of the whims and fancies of individuals totally uncommitted to the real needs of the respective situations.

It is the responsibility of the Foreign Minister to create a more methodical approach to policy-making and implementation. And Mr Narasimha Rao is uniquely placed to streamline the process and infuse a sense of common commitment and shared purpose into its participants who are privy to important decisions.

IDBI DIRECTOR URGES CHANGE IN LENDING POLICIES

Bombay THE TIMES OF INDIA in English 18 Apr 81 p 10

[Text] Bombay, April 17--Mr N. N. Pai, chairman and managing director of Industrial Development Bank of India, has called for a re-orientation of the lending policies of the term-lending institutions with a high priority to projects that generate export surpluses and produce import substitutes.

Delivering the Dr S. K. Muranjan memorial lecture on "Development banking--retrospect and prospect," organised by the golden jubilee trust fund of Sydenham College of Commerce and Economics in Bombay on Thursday, Mr Pai said this had become necessary in view of the expected huge trade deficit of Rs 4,500-5,000 crore during 1980-81, and the prospect of growing trade and balance of payments deficits at least during the next few years.

Mr Pai said during the current Plan period, the participation of the financial institutions in the process of planned industrial development was going to be much closer. Requirements of funds of the institutions and the pattern of their industrial assistance was being dovetailed in such a fashion that institutions could be playing an important role in fulfilling Plan targets in some of the important high priority industries like cement, sugar, paper and fertilisers.

Mr Pai pointed out that during the last two years or so, there had been such a spurt in lending by the financial institutions that resources constraint was posing to become the "challenge of 80s."

He felt that institutions might have to devise ways and means whereby borrowers were not made to bear undue burden of debt servicing while at the same time protecting interest of the institutions which could not possibly bear all the cost attendant on foreign currency borrowings.

Foreign Exchange

Mr Pai suggested that higher costs of foreign currency loans could be spread over the entire kitty of funds of the institution, so that the impact of rising average cost of funds was borne by all borrowers. Alternatively, the more costly funds raised in foreign currency markets could be lent [as published] to relatively more profitable ventures. Among such ventures again the projects generating exports or earning foreign exchange would be better suited as there was scope for tying up their repayment schedules with servicing of foreign currency loans.

Stressing the need for constructive approach by the financial institutions, Mr Pai said occurrence of cost overruns had become a regular feature of almost all projects assisted since 1973 on account of continuing high inflationary trends. For improving reliability of project cost estimates, he suggested an "indexing" system that would provide more reliable forecasts for preparing such cost estimates.

Mr Pai said commercial banks were in a much better position to notice the first signals of sickness in industrial units. It was, therefore, necessary that a close co-ordination between banks and institutions was built up so that banks could monitor sickness as and when it developed amongst assisted concerns.

Unloading of Shares

Mr Pai stressed the need for financial institutions giving greater attention to unloading of their holdings of industrial securities with a view to creating a wider market for them as also for recycling the funds required for their growing volume of operations.

He said as a matter of policy, the preference of institutions should be one of not holding on to the securities in which investors were interested. The disinvestment operations by the institutions could be undertaken in an orderly fashion without creating unstable trading conditions on the stock exchanges. Institutions could offer for sale these securities in the same manner as some companies did whenever they were expected to broadbase their shareholding through sale of part of the large block of shares held by one or a few shareholders with controlling interest.

Mr Pai said in the last few years, disbursement of institutional assistance had been several times larger than the funds that the capital market could mobilise for the corporate sector. Of the aggregate sanctions of all the financial institutions up to March, 1980, of Rs 9,136 crores and disbursements of Rs 6,235 crores, the assistance extended during 1970-71 to 1979-80 accounted for 88 per cent of total sanctions and 82 per cent of total disbursements. The institutions were playing a significant role in creating fresh capacity in a large number of new projects as also the expansion and diversification of existing units.

CSO: 4220

THREE U.S. SENATORS INTERVIEWED ON TARAPUR FUEL

Madras THE HINDU in English 17 Apr 81 p 8

[Interviews with Senators John Glenn of Ohio, Alan Cranston of California, and Christopher Dodd of Connecticut, by N. Ram; in Washington, D. C., date not given]

[Text] Congressional opposition to continuing the Tarapur relationship under the present circumstances is unlikely to let up. In fact, influential Democrats have stepped up efforts to get the Reagan Administration to end the nuclear supply relationship. They are also critical or questioning of the Administration's proposal to tamper with the Symington Amendment that at present blocks--on nuclear non-proliferation grounds--military and most types of economic assistance to the Pakistani regime.

Interviews by THE HINDU with three Senators--Democrats with a high profile on nuclear issues and all opponents of the Tarapur relationship--provide some insights into the approach of this opposition.

These positions, and lines of argument, against the continuance of the Indo-U.S. nuclear agreement--or rather, the supply relationship of the United States to India--are not unfamiliar. Recorded on the eve of a decisive round of bilateral negotiations, they appear to set an important part of the context for the talks Dr H. N. Sethna, Chairman of the Atomic Energy Commission, and Mr Eric Gonsalves, Secretary in the External Affairs Ministry, pursue in Washington.

Another part of that context will be authoritatively set by the Reagan Administration, which for all its devaluation of "non-proliferation" as a generalised concern has gone on record disavowing the Tarapur relationship.

MR. JOHN GLENN of Ohio, the former astronaut and the Senate's leading voice on non-proliferation, presented his thinking thus:

QUESTION: On Tarapur, could you give us an assessment of both the fuel supply and the relationship itself? How do you see it now?

ANSWER: I felt that I had been vindicated in my arguments on the floor and that we should hold up the second shipment. I wrote to the President in early February of this year asking that it be held up and not sent due to public statements made in India by Government officials.

Q: Now, one point which is being made in India — to which you might be the most appropriate person to respond — is this: In one case, the United States is proposing a major revision in a statute in the case of the Symington Amendment. In the second case, you are refusing, by the understanding, to honour a commitment made in a bilateral agreement that has the force of an international treaty. You are saying that a statute supersedes that.

A: With regard to India, you mean...

Q: With regard to the Tarapur agreement, Senator.

A: Well, okay. My answer is the same now as it was when we were on the floor. India violated our confidence and our agreement with India originally. Because they used our heavy water that was not to be used for that purpose. We had letters back and forth, secret letters that we released during that discussion on the floor. They knew what our understanding of the agreement was. And India just chose to say that's not true, and we still have a disagreement over that.

So it's not an international treaty as such, when one party has already violated it by our view of it, even though India does not agree with that interpretation. We don't agree with India's interpretation either.

Whether it was in the fine print of the treaty or not, India knew that our understanding was that none of our material would be used for nuclear explosive development, whether they want to call it peaceful or not. It's a bomb whether it's set off without killing anybody or whether it's set off in war. India knew, good and well, that that was the understanding, whether it's in the fine print of the contract or not.

Q: Senator Glenn, as somebody who has emphasized (I think consistently) the hazards as you saw it of reprocessing, in fact, as somebody who has probably set his face against it, reprocessing under most conditions, you might be interested in some documentation we came across. Which suggests that the U.S. Administration has already given away your case, that there is no "prior consent." The prior consent provision is imposed by the U.S. Nuclear Non-proliferation Act (NNPA) of 1978, but in the previous discussions there was no question of any "prior consent" on India's reprocessing of Tarapur fuel.

In fact, the State Department in its correspondence — the documentation is now available (thanks to the Freedom of Information Act) — says that all that is left is a joint determination on safeguardability, not whether to reprocess. The letter — the "prior consent" on reprocessing — is an imposition by the NNPA. Wouldn't that present a serious political, or at least a legal, problem?

A: I don't know if it will or not. I have to look at that and get out the technical details of it again. The changes we are going to make in this country: what we are going to do, and I don't say that NNPA is locked in, inviolable for ever, if we need to make some changes or take a different tack, if it's working or not working, okay, we'll consider it. But let's do the considering all at one time. Let's not do it on a piecemeal basis.

The elderly Mr. Alan Cranston from California is the Deputy Leader and Whip

of the Democrats in the Senate. He responded to THE HINDU's questions on Tarepur, the Symington Amendment and nuclear non-proliferation thus:

Mr. Cranston: I'm very concerned about the information that has come to me — that Pakistan is on its way to developing a nuclear capacity, that they're making a very strenuous and apparently effective effort in that regard. I have not yet decided how I would vote on the waiver of the Symington Amendment as it affects Pakistan.

However, we do want to maintain a good relationship with Pakistan and with India. We have to take into account the needs of both countries when we formulate policies. I've visited India. I've very strong feelings of friendship towards the people of India. I hope to do what I can to promote a closer and closer relationship with India. Likewise, although I haven't visited Pakistan, I have high regard for the people there. I hope the differences can be submerged and the common interests developed.

Q: And may I ask you for your assessment of the status of the fuel supply to Tarepur. Secondly, do you think that the nuclear relationship has an exaggerated, too high a place in the Indo-US bilateral relationship?

A: I'm very concerned about Tarepur. I'm very concerned about nuclear proliferation wherever it occurs, and I wish we could work together more effectively to restrain the development. I think this is one of the most dangerous factors confronting the human race, and can lead to the worst catastrophe in human history. If you have nuclear weapons everywhere...

Q: Have you had occasion to work out in detail your position in the new context on (a) reprocessing and (b) making India except fullscope safeguards? Do you think that it is realistic?

A: I'm not sure how realistic it is to attain the goal. But I think we have to carry on the effort against reprocessing, that can lead to a nuclear catastrophe.

The United States has its own responsibility. We should be finding a way to work with the Soviet Union to reduce our own stockpiles, our own weaponry...

Mr. Christopher Dodd, a young liberal Senator from Connecticut, has been a vigorous opponent of the supply of low-enriched uranium fuel to Tarepur.

He told THE HINDU: The spread of nuclear capability is a growing threat every day, and it jeopardizes, of course, not just the Western alliance but truly jeopardizes world stability... on Tarepur, by the way, let me preface my remarks by saying I cherish what has been a very positive and good relationship with India. I hope we will be able to maintain that relationship.

Regrettably, I think that India has failed to understand the importance of the non-proliferation treaty. And, frankly, as long as there is the unwillingness to support that treaty, I'm going to be unwilling to support shipments of material — be it heavy water or any other equipment that would assist with the development of a nuclear capability.

Canada has taken that position. The two nations, India and Canada, maintain a good relationship. I would hope that India would understand that our purpose in relating upon joining us and other nations in that non-proliferation agreement is rooted in a strong desire... a desire that has been most articulately stated by the leaders of India over the years. And that is a reduction in nuclear weaponry, a reduction in the threat of nuclear holocaust.

India has, over the years, played a far greater role in that move than, frankly, the United States. So it is somewhat ironic that we find ourselves on opposite sides of the fence on this issue. But I have not given up hope. I'm still confident that the Government of India and the people of India will understand the motivation those of us have in our reluctance to pursue such a policy on India until such time as they endorse and support the non-proliferation treaty.

EXTERNAL AFFAIRS MINISTRY REACTS TO PAKISTAN ARMING

Calcutta THE SUNDAY STATESMAN in English 19 Apr 81 pp 1,7

[Text] New Delhi, April 18—India today maintained that its concern over an excessive flow of sophisticated arms, into Pakistan was not an "obsession" but an assessment based on concrete past experiences.

India also rejected Pakistan's contention that the massive arms flow into that country posed no threat to the region.

In a sharp reaction to the statement of Pakistan's Foreign Minister, Mr Agha Shahi in Islamabad yesterday a spokesman of the External Affairs Ministry said here today that "it is regrettable that Pakistan should choose not to perceive India's views in the correct perspective" which was essential in the larger interest of understanding between the two countries and the normalization of bilateral relations.

Mr Agha Shahi had said yesterday that India had an "obsession" with a non-existent military threat from Pakistan. Reporters had sought comments from the spokesman of the External Affairs Ministry on Mr Shahi's statement and also a statement along similar lines by a spokesman of the Pakistan Foreign Office.

The views of Mrs Gandhi and the External Affairs Minister, Mr P. V. Narasimha Rao on the excessive flow of arms into Pakistan were neither "unwarranted nor gratuitous" as stated by Pakistan, the spokesman said. He also pointed out that the views of the Government of India on the implications of the induction of sophisticated arms into Pakistan were based on considered assessment and India's experience of Pakistan's aggressive activities across her (India's) borders several times over the last three decades.

The official spokesman also denied that India had launched a campaign against Pakistan either at home or abroad. On the contrary, India had repeatedly indicated to Pakistan its desire to nurture good neighbourly and friendly relations on the basis of the Simla accord. India had also indicated that it was not "insensitive" to Pakistan's security concerns.

The spokesman said: "however, the influx of sophisticated armament into Pakistan had traditionally affected the process of normalisation between the two countries and this was an assessment which was rightly conveyed to all concerned

including Pakistan, in the interests of peace and stability in the region and in the interests of strengthening the process of normalization of relations with Pakistan to which India was totally committed."

Discounting as "one-sided" Pakistan's comparison of the defence force levels of the two countries, the spokesman pointed out that such comparison was also inaccurate especially in the context of India's requirement. To make such a comparison purely in terms of numbers was meaningless because India had a larger land boundary and coastline to defend than Pakistan.

The spokesman said India was concerned over an armaments race in the region and was opposed to "activities by outside Powers in this region which will exacerbate tensions and which, as pointed out by the Prime Minister, has brought cold war and confrontation to India's very doorstep. It was in this context that India viewed Pakistan's attempts to arm itself with more sophisticated weapons.

REUTER adds from Washington: Mr Agha Shahi and the U.S. Secretary of State, Mr Alexander Haig, will meet on Monday in an effort to narrow lingering differences over proposed American military aid. The meeting is the second phase of talks on a \$500 million aid proposal made last month to the Pakistani President, General Zia ul-Haq.

The Reagan Administration has been trying to work out an aid formula acceptable to General Zia, who last year rejected a suggested \$400 million two-year programme as "peanuts."

The Pakistanis want U.S. help in strengthening their defences along the western border with Afghanistan, where 85,000 Soviet troops are stationed, but also want to be considered non-aligned.

CSO: 4220

EDITOR SEES NO PROGRESS IN NEW PACT WITH EEC

Madras THE HINDU in English 17 Apr 81 p 8

[Editorial: "New Deal With EEC"]

[Text] IT HAS TAKEN the European Economic Community and India a year to spell out a new arrangement to replace the 1973 commercial cooperation agreement which was extremely limited in scope. The broader contours of the renegotiated agreement, whose draft has been initialed, are not available, but there is nothing to indicate a breakthrough from India's standpoint. Traditionally, France has been obstructing concessions to areas which were formerly under British rule, but one would have thought that there would be a change of heart as a result of the closer relations that have recently developed with India. But this does not seem to have been the case; frivolous objections were raised by its officials in resisting the ever so slight enlargement of the scope of the agreement. The new deal is not confined to commerce; it will cover also "economic cooperation", meaning industrial, technological and scientific fields. Indeed, the Community did take a pioneering step when it jointly participated in the Operation Flood programme to develop dairying and milk processing. The new arrangement may be a slight improvement on anything that existed before but not anywhere near the cooperation treaty India has been seeking for two decades and which was recommended by the European Parliament many years ago.

The European Community absorbs about 30 per cent of Indian exports, and between 1974 and 1978 about 700 joint ventures have been approved. Textiles (including garments), diamonds, tea and leather account for two-thirds of the sales to the EEC. In these products, it is only in leather that quick growth can be expected as a result of efforts to sell more semifinished and finished goods. The Multifibre Agreement is in a chaotic state. If at all, India is likely to suffer from international developments in the textile trade. A delegation from Brussels is due to visit New Delhi early next month

and the annual six per cent import growth rate, written into the old pact, is likely to be knocked out in a new agreement because the EEC textile market has been growing by one per cent. This will cut at the root of the MFA one of whose basic aims was to liberalise world trade in textiles. India failed to fulfil even some of the restricted quotas in some varieties last year, and the EEC did not agree to accommodate a request for inter-country transfer of quotas. The EEC has also succeeded in creating a division among the developing countries by adopting a conciliatory approach towards the Association of South-East Asian Nations (ASEAN).

As things are, it will be well nigh impossible to change the EEC from the hard line it has taken on textiles. And yet something significant ought to be attempted in improving economic relations with that part of the world. India's efforts should be therefore directed towards exchanges in more sophisticated fields of industry, like engineering and electronics. There must be rapid development all round; the Government must facilitate it by taking positive steps. Important sectors that could benefit from European collaboration are aluminium and fertilizers, with prospects in sight for new ventures in steel and automobiles. These cover Italian, French and West German partners and technology transfer and aid are expected from Britain for coal mining. A significant factor is India's credit-worthiness in the Eurodollar market which is being tapped for the first time for sizable amounts. Indian enterprise—Government as well as companies—has not done enough to exploit opportunities for cooperative endeavours. It is one thing to holler about the tariff walls and quota restrictions that inhibit traditional exports. Having laid a wide industrial base, the time has perhaps come to key down the protestations and look ardently for entirely new pastures of higher technology cooperation.

RAO BRIEFS PRESS ON CPI COUNCIL DECISION

Bombay THE TIMES OF INDIA in English 18 Apr 81 p 9

[Text] New Delhi, April 17. The national council of the Communist Party of India has pledged itself to "fight tooth and nail" against divisive forces seeking to drag the country to a path of "fratricidal strife along caste, linguistic and chauvinistic lines."

It asked "left and democratic forces and mass organisations" to join the struggle against those who threatened to involve the country in a caste war.

The party general secretary, Mr C. Rajeswara Rao, accused the Congress(I) of failing to contain these forces and of "encouraging them to fight the left and democratic movement."

Talking to newsmen on the decision of the national council, Mr Rao also charged that the ruling party with seeking to split the All-India Peace and Solidarity Organisation and the Indo-Soviet Cultural Society. He said the organisations would, however, continue with their work. [paragraph as published]

He further spoke of the Congress(I)'s "retrograde policies marked by draconian laws like the National Security Act."

The council, in a reference to foreign relations, said the government was vacillating on vital issues. It wanted the government to take a firm stand against the U.S. manoeuvres in the region and forge closer relations with the Soviet Union and other socialist countries.

According to Mr Rao, the government has failed to assess the danger to the country's security arising from the U.S.-Chinese axis and its efforts to build up the Pakistani arsenal.

On party affairs, he dismissed as "very little" the impact of Mr Dange's expulsion from the CPI. "Here and there, one or two might leave the party. That is all," he said.

In his view, the CPI and the CPM shared the perceptions on domestic issues as also on many foreign policy questions, but the problem remained that their assessments about China differed. That stood in the way of their coming together, he said.

CPI-M POLITBURO STATEMENT SCORES CONGRESS(I)

Calcutta THE STATESMAN in English 21 Apr 81 p 9

[Text] New Delhi, April 20.--The CPI(M) Politburo today alleged that the Congress(I) was attempting to destabilize the "Left-oriented" Governments in West Bengal, Kerala and Tripura. "It is doing nothing to find solutions to the various socio-economic problems being exploited by fissiparous forces to unseat its own regime in other States."

In its statement, released to the Press by the party's general secretary, Mr E. M. S. Namboodiripad here after its three-day sitting, the CPI(M) politburo said Gujarat, ruled by the Congress(I) experienced a prolonged conflict between Harijans and upper caste Hindus which created conditions of near civil war.

Indeed, atrocities on Scheduled Castes and tribals, communal riots, the depredations of dacoits and other anti-social elements had become the normal feature in State after State ruled by the Congress(I), the central Marxist leadership pointed out.

'Holy Anger'

However, the CPI(M) statement pointed out, Mrs Gandhi had no time or did not care to discharge her responsibility, both as the Prime Minister and the Congress(I) president to tackle serious problems faced by the people in States ruled by her own party. She and her colleagues reserved their "holy anger" against the "breakdown of law and order" in the non-Congress(I), particularly Left-oriented States, the CPI(M) leadership alleged.

Mr Namboodiripad said that his party's politburo noted that the Congress(I) "is going hand in gloves" with the forces of national disintegration in the "left-oriented States."

Secondly, the Congress(I) had no hesitation in forging an electoral alliance with the Bharatiya Janata Party in its hatred for the Left-front Government in Kerala. "The RSS-led BJP finds an honoured place in the anti-Left democratic Government campaign spearheaded by the Congress(I). It was not without significance that speaking at Kozhikode within hours of a bomb-throwing incident allegedly by the RSS on the CPI(M) MLA of Tellicherry, the Prime Minister had no word of condemnation for the RSS either for that particular incident or for the general campaign of the RSS. Both in her Kozhikode speech

and in all other pronouncements of Congress(I) leaders in Kerala, the RSS was given a clean chit while the words of condemnation and denunciation were reserved for the CPI(M) and Left-democratic Kerala Government.

Mr Namboodiripad said the politburo was sorry that the Chinese leadership justified the "aggressive moves" of the USA. The politburo was, however, hopeful that the Chinese leadership would extend to their foreign policy the process of self-criticism and correction which it was applying in a large measure to the field of internal policy, he said.

Arming of Pakistan

The CPI(M) leadership noted with regret that some Opposition parties were adopting positions helpful to the USA, Britain and others. These political parties saw in the Soviet Union and the Socialist world the major threat to the freedom and sovereignty of the non-aligned people. They did not even see in the arming of Pakistan a direct threat to India's security.

Therefore, he said, the CPI(M) politburo appealed to the democratic, freedom-and-peace-loving elements in all political parties to see the harm that would be caused to India's interests by "this blind hatred for the socialist world."

Mr Namboodiripad said his party was gravely concerned over the growing threat to the external security and internal unity of India following the critical situation in the States and territories of the north-eastern region. The politburo pointed out that the USA-sponsored agencies of various kinds were using fissiparous forces to destabilize the entire area.

In Punjab a new threat was arising. The old and discredited slogan of the Sikh nation and the Sikh State was being resurrected and popular agitation sought to be developed around it. This could not be seen in any other light than as part of the U.S. conspiracy, of which the arming of Pakistan and other measures adopted in West Asia were an important part.

This new danger arising in the north-west could not be faced unless the secular-democratic forces gave a rebuff to the similar slogan raised by Hindu revivalists--the "Hindu Rashtra." It should be noted that the BJP which aspired to become the alternative to the Congress(I) was closely allied to the RSS with its systematic campaign in favour of "Hindu Rashtra."

Meanwhile, the Communist Party of India today demanded an immediate end to the President's Rule in Manipur and said the Opposition should be given an opportunity to form a Ministry.

This was necessary not only for helping the restoration of normal civic life in Manipur but also for the State's development, the CPI general secretary, Mr C. Rajeswara Rao said in a statement here.

CSO: 4220

CPI STATEMENT ON HARIJANS IN GUJARAT REPORTED

New Delhi PATRIOT in English 19 Apr 81 p 4

[Text] The Communist Party of India has condemned the continuing atrocities on Harijans and adivasis in Gujarat even after withdrawal of the anti-reservation agitation there and has expressed grave concern over the steady spread of such a phenomenon to other States of the country.

In a statement on Saturday, party general secretary C. Rajeswara Rao instructed all CPI units to intervene promptly wherever such a dangerous situation developed and directed them to leave no stone unturned to preserve the people's unity in unison with other secular democratic and patriotic forces.

In this context, he said the State leadership of the CPI should take the initiative in holding conventions with all parties, mass organisations and individuals to 'safeguard our country against these caste conflicts.'

He referred to latest reports of attack on Harijans in Ramanathapuram district of Tamilnadu punctuated by stoppage of trains at Mandapam and beating up of persons belonging to the downtrodden community after dragging them out of trains.

He said it was a serious matter that sections of the police, including some officers, "are taking a partisan attitude against the downtrodden sections in collusion with the upper-caste chauvinist elements." He felt the paralysation of the Cong-I in face of such divisive agitations and sections of the ruling party falling victim to such evils as 'unfortunate.' The Cong-I professed to fight parochial sentiments, but it is for the party leadership to set its own house in order and unitedly face this type of dangerous disruptive forces, he added.

"Now as though by design, communal, linguistic, regional and casteist sentiments are being fanned in order to disrupt the unity of the people fighting unitedly for the people's demands. It is all the more necessary that today, when our country is facing a danger to its security and integrity from the nefarious designs of the US imperialists, Chinese rulers and General Zia's military regime in Pakistan, all the democratic, patriotic parties, mass organisations and individuals make common cause to right these forces of disruption to safeguard our country's future," he noted.

Mr Rao was of the considered view that unless 'immediate united efforts' were made the country would get embroiled in a caste war. The Central and State Governments should take all the necessary measures in order to avert the danger of caste conflicts into which some forces are trying to plunge our country, he added. [as published]

CSO: 4220

CPI-M URGES CAMPAIGN ON BENGAL DEVELOPMENTS

New Delhi PATRIOT in English 19 Apr 81 pp 1, 5

[Text]

West Bengal Chief Minister Jyoti Basu said in New Delhi on Saturday that his party — the CPI-M — would be approaching other Opposition parties, including the BJP, with the objective of launching a joint national campaign to educate the people on the Central Government's moves to dismiss the West Bengal Government.

He explained that in the wake of the Centre's onslaught, already witnessed in the 3 April bandh, it was necessary to build a "broad front of resistance" which could include the BJP as well at the national level, "since there are no economic issues involved in this".

The Congress-U was also being approached, he said but added that there was no use talking to that party's West Bengal unit which had pitted itself against the Left Front Ministry.

Mr Basu, who was speaking to a large group of newsmen at the conclusion of the CPI-M politbureau meeting (for which he had come to the Capital), said the politbureau had taken a decision for the joint campaign, especially in the light of the activities of Congress-I in West Bengal obviously with the full blessings of the Prime Minister.

KERALA, TAMILNADU

He said he would be going to Tamilnadu this month with the purpose of holding meetings and

addressing different sections of people to enlighten them of the dangerous game of Centre against democracy in West Bengal. Later, he would be going to Kerala with the same objective. He is also due to address a mass rally in the Capital on the issue.

Mr Basu, who met journalists at the Chief Minister's official residence in New Delhi, circulated copies of the statement of the CPI-M politbureau following its three-day deliberations.

The statement maintained that the 3 April bandh in West Bengal organised by the local Congress-I in cooperation with some other parties was a "completely prepared plot to besmirch the Left Front Ministry, the CPI-M and create a facade of mass sanction against the Ministry", but the "plot has failed".

"It is a matter of high satisfaction," the PB noted, "that all opposition parties in Parliament have expressed their opposition to this destabilisation operation of the Central Government."

The statement read: "Calling for a broad front of resistance against these attacks, the CPI-M appeals to all political parties to realise that the attack against the West Bengal Ministry constitutes the beginning of the attacks against the parliamentary system itself." It recounted the emergence of "semi-fascist terror" in West Bengal in 1973 and how at a later stage this culminated into

the Emergency of 1975.

"It is therefore not accidental that simultaneously with this attack," the communique underlined, "there should be a growing conflict between the supreme Court, the judiciary and the Executive. Dictatorship seeks to achieve its aims in a number of ways. The fact is this critical hour State Police-Bureau is amazed to find units of parties like the Congress-U, Janata should join hands with the Congress-I in West Bengal in its game of toppling the Ministry".

Mr Basu spoke in detail about the terror tactics and vandalism of Congress-I in West Bengal during the bandh, an aspect highlighted in the PB communique. "Local leaders of the Congress-I go on speaking in the name of the Prime Minister and she does not reprimand them. They are allowed to do whatever they want to do in her name. She should know in how many groups they are divided, how many gangsters they have", he said.

He sharply criticised Mrs Gandhi for not saying a word of regret for the violence perpetrated by her men as a result of which 23 persons had been killed.

He assailed the "so-called intellectuals" for the language movement in West Bengal.

As for the postponement of by-elections, he traced it to the unpreparedness of the Congress-I to face the electorate.

WASHINGTON CORRESPONDENT REVIEWS WORLD BANK REPORT

Summary of Report Given

Madras THE HINDU in English 21 Apr 81 p 7

[Article by N. Ram: "World Bank Sees Shortage of Resources"]

[Text]

WASHINGTON, April 20

"A combination of internal and external factors have moved India into a period of relative scarcity of domestic and external resources.

It is clearly important to understand these factors and the key areas for policy and programme action which will enable the Indian economy to adjust to this new situation without undue cost in terms of growth or other Plan objectives, for given India's low level of per capita income (about \$180) and its pervasive poverty, efforts to increase the level of income and improve its distribution necessarily remain at the centre of India's development effort."

The World Bank's latest economic report on India—supposed to be a restricted internal document made available through courtesy to the Aid India Consortium meeting in Paris in June—sums up its evaluation of current developments and what is in store.

The standpoint from which the proceeds is, of course, the bank's development philosophy, on which a great deal has been written the world over and persuasive critiques are available.

Some P.R. effort: To a considerable extent probably, annual economic reports on countries such as India represent the bank's real analysis and approach. To some extent, since the document is processed in close consultation with the office of the country's executive director in the bank and also since it is the basic approach document for the Aid India Consortium's annual meeting, it represents a sanitised or public relations effort. The appears to be the qualification appropriate to reading and interpreting it.

A description of the scope of the 320-page, grey-cover document titled "Economic situation and prospects of India (April 15, 1981) might be helpful. It is said to be organised and its contents selected to develop the understanding set out in the quotation above.

It reviews the developments in the Indian economy during the past year, "emphasising the interplay of external and internal factors which contributed to the deterioration in India's resource position."

Specially detailed attention is paid in this connection to railways as the critical part of the transportation sector and an area among several where "basic infrastructural limitations have constrained growth."

The report also claims to provide a perspective on India's present domestic and external resource situation and project future trends.

The remainder of the report discusses "the opportunities and assesses the policy options available to India to remove or at least loosen the resource constraints which threaten the achievement of its plan objectives."

The bank's policy-makers and specialists on India, sensitive to criticism and labeling of their approach as an "export-led strategy," have in the recent period tried to remove the impression at least at the level of policy rhetoric. However, the economic report does not either conceal or downplay the point that "the growth of exports is central" to the development strategy proposed by the World Bank for at least the Sixth Plan period.

The strategy somewhat more sophisticated than the one advanced in the

fifties and sixties, also advocates "balanced investments in key industries which can elevate the expected growth in the import bill." It discusses the characteristics of India's energy sector as they affect the resource position directly and indirectly.

Finally, it highlights developments in "the agricultural sector — import reduction and export prospects in food-grains, import reduction in oilseeds, and export prospects of sugar — which are important in their own right and in their potential impact on India's adjustment process."

It goes without saying that less than serious attention is paid to the structure of inequity underlying the present as well as the unfolding future of the agricultural sector, not to mention the issues in agrarian strategy highlighted by Indian economists such as Professors K. N. Raj and C. T. Kurien.

The World Bank's economic report was substantively prepared before the Sixth Plan document was released in late February. But it has been revised to speak to some of the subjects and issues raised in the Plan.

The analysis and conclusions can be summarised as follows:

Recovery in 1980-81 from the setback of 1979-80 has been slower than expected. While agriculture has more or less regained its earlier record level of output, widespread shortages of infrastructural services and of basic goods saw to it that industrial growth was "short of its potential."

Towards the end of the year, economic indicators began to look up somewhat, and the rate of growth of gross domestic product (GDP) in 1980-

81 is estimated to be seven to eight per cent, which is a bare recovery from the sharp decline of the previous year.

The level of inflation remained high at a probable level of 18 per cent for the year — with an acceleration in the first half of the year and something of a deceleration during the second half. Wholesale prices at the end of March 1981 were approximately 17 per cent higher than a year earlier, when, in turn, the level was 21 per cent higher than the previous year.

While acknowledging the reality, the bank's report fails to analyse seriously the implications of such a severe inflationary momentum for the people as well as the general economy of India.

This reflects the World Bank's own biases and interests, and perhaps also the process of vetting by the Government of India. Here, clearly, what claims to be an objective and deep-going economic analysis cannot get beyond the first barrier erected by political slogans.

Payments position. India's balance of payments in 1980-81 turned out to be somewhat worse than projected a year ago. This is putting it mildly. In fact, the situation deteriorated sharply during the year, with a current account deficit of \$ 3.4 billions and the first fall in foreign exchange reserves since the mid-1970s.

The World Bank identifies the main reason as the continuation throughout 1980 of the embargo on the movement of crude oil and petroleum products from Assam. This required the import of about 3.5 million tonnes of extra petroleum products at a cost of over \$ 1 billion. Fertilizer production fell due to lack of naphtha from the refineries in the eastern region and this also increased the import requirements.

While drawing attention to a significant factor, the World Bank report appears to be exaggerating it and oversimplifying the reality.

It points out, however, that the import bill rose to \$15.6 billions, while exports grew by only four per cent to \$9 billions — slightly lower than expected. The really significant figure is that the trade deficit of \$6.6 billions exceeded "expectations" by \$2.1 billions.

How was it financed? Through a modest increase in net aid flows, a sizable but probably exceptional rise in net invisibles, and a very large increase — from zero to a billion dollar level — in the use of IMF facilities.

The bank's assessment of the deterioration in India's balance of payments prospects is that it "does not appear to be of short duration and does require economic policy changes... in the coming years." It does not neglect to point out that during the last four years, exports have financed a decreasing share of imports. The trend will push forward strongly.

Petroleum prices are expected to rise in real terms in the foreseeable

future and financing this bill is bound to be a heavy burden. Industrial modernisation and ongoing liberalisation of trade will push further for growing imports.

Uncertain prospects. As for the change from a position of relatively plentiful resources during the second half of the 1970s to a phase of "uncertain growth prospects due to resource scarcities," the World Bank's report is quite outspoken in its situation analysis and prescription.

Some of the causes identified are obvious-based infrastructural and supply constraints whose relaxation requires substantial domestic investment and a daunting import bill whose financing requires an unprecedented mobilisation of foreign resources.

The World Bank's prescription is: "To raise these foreign exchange resources, India must accelerate exports, avoid imports that can be produced economically at home, mobilise and then utilise aid at a faster rate and borrow more on non-concessional terms. Export performance is the key element of the strategy as only growing exports, and the increase in commercial borrowing they allow, have the capacity to keep pace with rising import requirements."

While recognising that "much can be done" to improve the production of items looming large in the import bill — petroleum, fertilizer, edible oils, steel and so on — the report does not place too much reliance on this front, since it is asserted that the growth in domestic demand will make the import bill grow rapidly.

Financing the investment plan for the medium term (that is, up to 1984-85) relies heavily on turning the screws up on the domestic saving rate, which is already high. Since private sector saving is high, major reliance is to be placed on raising public sector savings from the "fairly low current level."

Pointing out that the Government of India does intend to raise "some additional resources from higher taxes" — which is putting it very moderately — the World Bank report gives the opinion that "there are definite limits to this as both average and marginal tax rates are already quite high for a country of India's low income." Here there is something of a departure from approaches on behalf of which both the World Bank and the International Monetary Fund have persistently exerted pressure on numerous countries, including India.

It is stated in this report that "Government subsidies (mainly on food, fertilizer and exports) are modest compared to the purposes they achieve." This going along with "subsidies" comes as a bit of a surprise, although the use of the term to cover such items as food for the needy and the hard-pressed, fertilizer mainly (although by no means exclusively) for the rural gentry, and exporters' dues amount to clubbing together charges on a semantic rather than a substantive basis.

Correspondent's Critique

Madras THE HINDU in English 22 Apr 81 p 5

[Article by N. Ram: "Farm Front Progress Impresses World Bank"]

[Text]

WASHINGTON, April 21

The burden of mobilising resources for the public sector must be borne by the sector or rather the people at large—through "mobilising more resources from the goods and services provided by it both by improving efficiency and by raising rates and tariffs", says the World Bank in its report on India prepared for the Paris meeting of the Aid India Consortium. (Excerpts were published in these columns yesterday.)

The latter course appears particularly to be the method favoured by the Government of India.

But there is no worthwhile discussion of the breakdown and implications—especially the inflationary implications—of the approach. Still, the recognition that the public sector in India cannot be bypassed or downgraded in the development strategy represents a measure of relatively new sophistication in the bank's philosophy.

The report notes that the Sixth Plan relies on a significant amount of "foreign savings" to help finance the investment plan. Foreign resources raised on concessional aid terms are expected to make up six per cent of total investment and about 10 per cent of imports, while additionally the Government of India hopes to borrow at least four per cent of investment and seven per cent of imports on non-concessional terms.

The conclusion is as might be expected. Foreign aid and concessional borrowing will have a crucial role in India's effort to manage the scarce resource position facing the economy.

The concessionality helps to reduce the future debt service burden and allow more borrowing on commercial terms.

The bank clearly endorses the strategy of significantly raising India's foreign debt. India clearly intends to undertake a major amount of foreign borrowing to augment resources for development.

This is a new response to resource scarcity for India, brought about partly by the international financial community's recognition of India's enhanced creditworthiness and partly by India's more expansionary and open response to the situation of scarcity.

A mystery: How the scale of resources envisaged will become available on concessional terms—given the uncertainty over the International Development Association, growing competition for such resources (especially from China), and the political mood in Western countries affecting development aid—remains something of a mystery in the analysis.

As for the evaluation of India's creditworthiness in international capital markets, it is interesting.

The discussion of the centerpiece of the strategy for the medium (up to 1984-85) term—export promotion—comes to the following conclusion. Given the background of the export performance during most of the 1970s, India's merchandise exports are projected by the World Bank to grow at an annual average rate of nearly seven per cent from 1979-80 to 1984-85, when it will approach nine per cent. The bulk of the volume growth will come from manufactured exports and others with good price prospects.

The assumptions behind the projection are large indeed. They are "some gradual improvement in economic policies affecting exports" (from a bank stand point, of course) and "no sharp deterioration in the international trading environment."

As usual, the World Bank softpedals its assessment of protectionist barriers erected in Western countries and Japan, especially against manufactured goods from the developing countries.

The report prescribes that "export profitability must be improved if India's manufacturers and entrepreneurs are to be attracted away from the security of India's large and protected domestic market." But it is not able to spell

out how this is to be done, nor how "the volatility observed in the growth of many of India's important exports" and the phenomenon of "sporadic growth" can be gone beyond.

Energy sector. As for the energy sector, the report appears to be guardedly pessimistic. It sees scope for alleviating the burden of petroleum imports and, in fact, projects that their volume will not reach the unusually high level of 1980-81 (before the end of the Plan period, 1984-85).

The assumptions here are that the Assam crisis will lift off and the production of crude oil off the west coast will be about 350 per cent higher in 1984-85 than it was in 1979-80. Nevertheless, the bank expects shortages in coal and power to persist until around the end of the 1980s.

The bank's assessment of India's industrial development prospects is also quite guarded. There is tribute paid to the comparative advantage, trends of diversification, and relative sophistication of what has been built up.

But with regard to key industries such as fertiliser, steel products and cement, the problems to be confronted are rated as formidable. Despite the expansion planned in fertiliser output, "the gap between domestic supplies of and demand for fertilisers is likely to grow throughout the Plan period."

The steel industry will face "a number of technical difficulties", and at best net imports of steel by 1984-85 will remain at their 1979-80 level. For cement, modernisation of plant and other improvements, combined with a major expansion of capacity, could "bring cement supply and demand into rough balance by the end of the Plan period."

The World Bank naturally welcomes the "variety of policy changes designed to improve the environment for industrial investment and production" introduced by the Government of India. Notable among these are the changes announced in the June 1980 budget speech, in the July 1980 industrial policy resolution,

and in "various notifications and announcements throughout the year."

Nevertheless, the World Bank's assessment appears to be that many more changes are called for in the environment. "These policy changes ameliorate restrictions that have accumulated under India's industrial control policy, although the basic features of the control policy remain in force and these changes do not alter the fundamental conditions of industrial investment and production prevalent in India. The changes are in the direction of liberalisation and expansion and have been welcomed in most quarters. The Government has said that further changes are possible."

The bank appears to have some reservation over the expansionary money supply and deficit financing policies of the Government of India. The "main source of growth in the money supply during 1980-81" held to be the rise in bank credit to the public sector—may contain more inflationary potential than the higher rise in the period 1975-76 through 1978-79."

As for the deficit as defined in the Central budget, it notes that the revised estimates place it at almost Rs. 200 crores.

Most optimism. The sector relating to which the World Bank report records the most optimism is agriculture. "the dominant sector of the economy." It is judged to play a crucial role in India's adjustment to the emerging resource constraints."

As is well known, foodgrain supply and demand trends in recent years have "reduced and probably eliminated the need for large scale foodgrain imports. The ability to accumulate and manage large foodgrain buffer stocks enabled India to withstand the most serious effects of the 1975-80 drought, the worst in 15 years, without recourse to foodgrain imports and without major cereal price rises. If present trends continue, agriculture exports could become significant. These developments

have given the Indian economy, formerly chronically dependent on foodgrain imports, a new dimension of flexibility."

But the Indian agricultural sector is seen as having some serious drawbacks. One is that reflecting performance. "Imports of edible oils have virtually replaced foodgrains in India's import bill." Extrapolation of present supply and demand trends "suggests a continuing shortage. Even with the most optimistic set of projections, imports of edible oils remain significant through 1984-85."

For the sugar economy, described as highly volatile, market imperfections—and the "very unstable and unreliable situation" are criticised. But "long-term supply and demand trends indicate a growing exportable surplus," a favourite idea with World Bank specialists on India.

The overall assessment of India's agricultural prospect seems to have little or no reference to the problem of agrarian relations.

"Much of India's past success has arisen from the massive effort and investment which has gone into implementing its broad strategy of agricultural development. To bring about the projected increases in productivity in these important crops, however, an equally impressive effort will be required. Improvements in research and extension will need to be consolidated and refined."

"Greater efficiency in irrigation will be required as India moves to increase output on existing irrigated areas and expand irrigation capacity. Input supply systems, particularly for seeds, will need to be improved, and carefully balanced and pricing policies will need to be maintained."

The Sixth Plan is certified as providing "a framework for these developments."

The obvious question arises concerning the bank's approach to Indian agriculture. Why is there no concern with the level of domestic demand for foodgrain and other agricultural commodities? Why is there no serious acknowledgment of the state of

purchasing power in painting the picture?

To sum up, according to the World Bank's annual economic report, India preparing for another period of balance of payments difficulties has "several advantages" compared with earlier experiences, notably compared with "the crisis of the mid-1970s."

It has "a stronger agriculture, the industrial base is larger and more diversified. Saving and investment rates are much higher than a decade ago. Moreover, India has not only a relatively high level of foreign exchange and foodgrain reserves, but also a low level of debt and substantial capacity for borrowing."

Welcomes changes. The bank sees "significant changes" taking place in the area of economic policies—changes after its heart. They are the following. "In the face of mounting trade deficits the policy impulse has not been to cut back imports but to search for means to accelerate export growth and to rationalise the domestic economy to save foreign exchange."

During the last few years, governments in India have introduced "a series of measures concerning industrial licensing and location policies, trade regime for raw materials and capital goods imports, which are all steps towards an expansion of trade and encouragement to export."

These policies are "moves in the right direction and should help India adjust to the current economic situation." The World Bank clearly expects much more along this path.

MUKHERJEE, JHA SPEAK AT INDO-U.S. TRADE WORKSHOP

Bombay THE TIMES OF INDIA in English 21 Apr 81 pp 1,9

[Text] New Delhi, April 20. The commerce minister, Mr Pranab Mukherjee, today complained that the protectionist trade policy of the U.S. had created a climate of uncertainty in bilateral trade and urged the Reagan administration to observe international trade norms.

The minister was referring to the imposition of countervailing duties by the U.S. on some goods from India without giving it the benefit of prior determination that these goods had in fact harmed the American domestic industry. This has been done in violation of the principles of the multilateral trade negotiations to which both the U.S. and India are parties.

Mr Mukherjee said, "We do not deny that it is legitimate for any country to impose countervailing duties to neutralise the effect of export subsidies, but then certain international norms have to be observed."

Opening a workshop on Indo-U.S. trade and industrial cooperation under the auspices of the engineering export promotion council, Mr Mukherjee urged the exporters to exploit the untapped potential in the U.S. market.

He said certain developments in the U.S. had caused a setback to India's efforts to expand trade with that country. The protectionist measures were not confined to engineering products alone. The Indian products had not been given the allowance for rebate of indirect tax which was not a subsidy.

In a reference to the large adverse balance for India in its trade with the U.S., the minister said India's share in the U.S. market was a negligible half per cent. While the trade of the U.S. was growing very rapidly, India had not been able to maintain its share in the U.S. market.

Mr L. K. Jha, chairman of the Economic Administration Reforms Commission suggested that India could reach the vast American market by setting up new lines of production by using American capital and marketing techniques.

In his key-note address, Mr Jha said sharp political differences notwithstanding, the two countries should explore ways of increasing bilateral cooperation.

India must remonstrate against discrimination inherent in the protectionist policies of the Western countries.

India must prevent dumping of goods by other countries, but it should also see that it did not subsidise any exports which could even otherwise be competitive without incentives which burdened the Indian economy. "We are too poor to subsidise the American consumer," he said.

Mr Jha felt it would make better sense to send components in a finished or semi-finished form for assembly in the U.S., as these were subjected to much lower rates of duty than the final product.

Mr Jha noted that, historically, the U.S. became India's largest trading partner because of the sizeable volume of dollar loans of the past, which made India import from the U.S. goods costlier than supplies from countries like West Germany and Japan. The Americans must be made to realise that imports from India did not result in a net loss of jobs since India spent more on imports from the U.S., thus helping to maintain employment there, he said.

CSO: 4220

SIKH EXTREMISTS SAID TO CREATE UNPLEASANT SITUATION

Calcutta THE STATESMAN in English 20 Apr 81 p 13

[Text] Chandigarh, April 19—The resolution on "Sikhs are a nation," which has been passed by the Talwandi Akali Dal at Anandpur Sahib has not come as a surprise to the Government or political circles in Punjab. They had been expecting such a resolution.

Mr Jagdev Singh Talwandi, president of the smaller Akali group compared to the one headed by Sant Harchand Singh Longowal, had announced long ago that his party would take an important decision on April 13. He hinted that it would have something to do with the old Anandpur Sahib resolution of the Akali Dal demanding autonomy for Punjab. The objective was to present itself as a greater champion of the Sikh cause than the Longowal Akali Dal.

Sant Longowal, in a bid to outmanoeuvre Mr Talwandi, moved a resolution declaring Sikhs as a separate nation at the last meeting of the Shiromani Gurdwara Prabandhak Committee. It is only natural that Mr Talwandi should not be left behind in the race and made his resolution stronger and more elaborate. The resolution includes getting in touch with the U.N. for associate membership for Sikhs, a suggestion of Mr Ganga Singh Dhillon of the USA at an All-India Sikh educational conference here. It also refers to a "marcha" to get the Anandpur Sahib resolution implemented.

But what has surprised many is the Talwandi group's decision to start an agitation. This is just not the right time for any agitation in view of harvesting in Punjab. Mr Talwandi does not have enough following to sustain an agitation or to collect a large number of volunteers. He decided to lead a batch of 11 volunteers to Delhi. This number is very unimpressive and the sole purpose of announcing it can be to steal a march over the Longowal group.

Some members of the Talwandi group are believed to be close to the Congress(I) leadership and the group's critics among Akalis suspect that it has been instigated by the Congress(I) to discredit the Opposition on the eve of municipal elections in the State. At the same time, some members of the Talwandi group allege that members of the Longowal group are closer to the ruling party and are not serious about any concrete action on the Sikh's demands. That is why they invited rival Akali leaders to join them in the "marcha" with a view to "exposing" them.

A few things, however, emerge from this race between the two Akali Dals. The extremist postures are creating an unpleasant situation in Punjab where extremist Sikh slogans and their reaction is giving rise to two distinct camps. Those among the Akalis or Sikhs who are considered moderate have yet to come out in the open to counter the extremist slogans.

The Punjab Government has prepared a two-pronged strategy to deal with the situation created by separatist demands by some Akali leaders. While it is proposed to take stern measures against the "handful of persons" voicing demand for a Sikh homeland, persuasion will be used to mobilize public opinion against such demands.

CSO: 4220

AGRICULTURE MINISTER SPEAKS IN LOK SABHA DEBATE

Bombay THE TIMES OF INDIA in English 21 Apr 81 p 1

[Text] New Delhi, April 20 (PTI & UNI). The government may import sugar if prices keep on rising, Rao Birendra Singh, agriculture minister, said in the Lok Sabha today.

While sharing the concern of members over the rise in sugar prices, the minister said India would have a comfortable position next year and the government hoped to create a buffer stock of sugar.

Winding up the debate on demands for grants for the ministry of agriculture and rural reconstruction, Rao Birendra Singh said he saw no reason for the current rise in sugar prices when the government was releasing sufficient stocks.

"We are trying to see how this is happening," he said. The government was trying to check "collusion, if any." Seeking the support of all political parties, the minister added: "We are determined to check the prices. We shall see they do not rise abnormally."

River Disputes

"If the prices go on rising like this, we may not hesitate to import some sugar," Rao Birendra Singh said. "Import is not ruled out."

The minister envisaged the sugar production to go up to 5.2 million tonnes this year. Next year, the position would be comfortable, he added without making any estimate.

On other subjects, the minister made it known that the government was trying to bring a Central legislation for speedier solution of interstate river disputes. Most of the country's large irrigation projects were still incomplete pending solution of the river disputes.

The minister gave the cheering news that the foodgrain production during 1980-81 was estimated at 133 million tonnes. A target of 138.5 million tonnes has been set for 1981-82.

This year's output would include record production of 56 million tonnes of rice and over 36 million tonnes of wheat. Oilseed production would be up from last year's 8.85 million tonnes to 10.2 million tonnes, while the sugarcane production would be 15.4 million tonnes.

In fertiliser, however, there was a drop in indigenous output by 900,000 tonnes but made up through massive imports. And, he estimated the fertiliser subsidy in 1981-82 at Rs 678.89 crores from last year's Rs 466 crores. "We are trying to supply fertiliser as cheap as possible in spite of financial constraints."

The government, he said, was taking steps to overcome the deficiency in the supply of quality seeds.

He was not satisfied with the arrangements for controlling quality of pesticides and would now take steps to improve it.

To stop diversion of forest areas and felling of trees even on private lands, he said it was proposed to enact a comprehensive legislation. Also more pilot projects and more funds were being sanctioned for crop insurance.

Rao Birendra Singh rejected the CPM charge of Central "discrimination" against West Bengal in grain allotments for "the food for work" programme.

Over last year's allocation, there was a step-up of more than Rs 300 crores for agriculture this year, he said, disputing the figures cited by Mr Devi Lal (Lok Dal).

He said the jump of as much as Rs 13 a quintal in wheat support prices this year demonstrated the interest of Mrs Gandhi in farmers and agriculture.

The house later voted the grants.

During the resumed debate today, Mr Jaipal Singh Kashayap (Janata-S) said that the farmers should be ensured remunerative prices for their produce. He demanded that the procurement price for the wheat should not be less than Rs 165 a quintal.

Mr Anand Singh (Cong-I) said the increase in the grain output must keep pace with the population growth in the country.

Farm Wages

Mr Multan Singh (Janata-S) said that nearly Rs 1,000 crores were being wasted on the Asian Games while the rural population was on the verge of starvation. This money should have been invested for the development of agriculture.

Mr N. G. Ranga (Cong.-I) said that about 100 million agricultural workers in the country had been given a raw deal all these years. They had been suffering from underemployment and their interests had been neglected by the government. He demanded that they should be ensured "the basic and humane wage."

Mr Chiranjil Lal Sharma (Cong-I) asked the government to control sugar prices and reorganise its distribution.

Mr T. M. Karunanidhi (DMK) complained that farmers were not looked after well. Even drinking water was not available in hundreds of villages. He wanted the small farmer development agency scheme to be extended to all the districts in the country.

CSO: 4220

ARUNACHAL CHIEF MINISTER SCORES ONGC PROSPECTING

Calcutta THE STATESMAN in English 21 Apr 81 p 9

[Article by D. P. Kumar]

[Text] Itanagar, April 20--The Arunachal Chief Minister, Mr G. Apang, stated here that the Oil and Natural Gas Commission "is not listening to our repeated requests" to step up its oil exploration programme in the Union Territory, "and if this is the attitude, we may as well invite foreign collaborators to exploit our huge oil deposits."

Mr Apang told visiting reporters that on the basis of the oil-find at Karsong, which has the deepest oil-well in India, "we will be able to maintain a mini-refinery of 7.5 million barrels a year capacity, and this could be put up right now in the Union Territory, but this is being delayed." He said Assam's refinery produced about five million barrels annually.

Mr Apang said: "They have a proposal to start a refinery here in 1982-83, which will yield 1.5 million barrels annually. Later on they have a programme to go in for a refinery on a larger scale--to produce 6 million barrels annually, which will be larger than Assam's."

The Chief Minister asked: "why should we oblige oil producers of foreign countries in exploiting oil resources in our own country, when we are already spending millions of dollars in importing precious oil?"

He said Arunachal Pradesh could meet a substantial part of the nation's oil requirements. "Our Geological Department has proved that the Union Territory has very extensive oil-bearing rocks, extending from Dalbing in eastern Siang District, to Rengin, Pashighat and Lilabari, a distance of about 1,000 km--and going right up to the Burma border. Besides, there is supposed to be oil in the Ranganadi area, in Subansiri extending to Balukpara. Indeed, our capital, Itanagar, is said to be floating on oil."

"But little is being done. The ONGC appears to be more interested in off-shore drilling. It does not want to work in our forests and hills. I have written to the Ministry. Let the ONGC say 'yes' or 'no.' Once it says it is not interested here, we can go for foreign collaborators."

The Chief Minister said the coal deposits in the Namchik and Nampo areas remained to be exploited. According to the Central Water and Power Commission, Arunachal Pradesh has an enormous hydroelectric potential of 20,000 MW in its mighty rivers. "I have said many times that it is a sleeping giant. Our planning is defective. Planning should be done by politicians and not bureaucrats, who do not see things in the right perspective, but on a narrow basis. We have to change this attitude. The tremendous potential of Arunachal Pradesh should be exploited in the interests of the whole nation."

The Chief Minister felt equally strongly on the subject of "encroachment" by Assam on the southern areas of four districts of Arunachal Pradesh, mainly in the foothills areas. He said: "This is a dangerous attitude--of settling people whom Assam will call 'foreigners' in the foothills areas. They are trying to settle mostly Nepalis and Bangladesh nationals in these areas and in many cases, are giving them even 'pattas' (title to land)".

From what Mr Apang said, it was evident that he was complaining of Assam trying to settle some people in the "disputed" areas between Assam and Arunachal Pradesh. There were complaints, too, that only a few days ago, Assam had established a police post in Gumto, in the foothills area, not far from Itanagar and that the policemen of the Gumto post had arrested certain people of Arunachal Pradesh. The Arunachal Government had asked Assam to remove the post. The people of the area, engaged in rice cultivation and in the tea gardens, contend that it is a tract which belongs to Arunachal Pradesh and that they are exerting pressure on Mr Apang "to put up an Arunachal police post, too, at Gumto."

"Provocative" incidents have occurred in other foothill areas. Incidents in the Likabali area have led to issuing of warrants and arrests. There are allegations that in Tirap division Assam has given "pattas" not to indigenous people but to Nepalis.

These have not yet assumed the shape of the Assam-Nagaland border troubles which occurred three years ago and led to a clash between the armed police of the two States. But the Chief Minister said: "The situation is explosive." "So far we have not done anything, but who knows for how long, because our people are being troubled."

CSO: 4220

FINANCE MINISTRY REPORTS FALL IN EXCHANGE RESERVES

Calcutta THE STATESMAN in English 21 Apr 81 p 7

[Text] New Delhi, April 20--India's foreign exchange reserves fell sharply by Rs 1,029.21 crores in 1980-81 compared to a modest drop of Rs 56.20 crores in the previous year. This does not take into account borrowings of about Rs 815 crores from the International Monetary Fund during the year.

The annual report of the Finance Ministry says that the improvement in India's foreign exchange reserves, which was marked in 1976-77 and 1977-78 slackened from 1978-79.

As against the increase to the reserves of Rs 1,371.29 crores in 1976-77 and Rs 1,636.76 crores in 1977-78, the increase in 1978-79 was only Rs 720.11 crores. The reserves declined by Rs 56.20 crores in 1979-80. The declining trend has increased sharply in 1980-81.

Most of the foreign aid committed during the year was from multilateral agencies. The Aid-India Consortium pledged a total assistance of \$3,414.22 million--\$2,858.49 million in project aid and \$555.73 million as non-project aid.

Of this, the World Bank group accounted for \$2,000 million, U.N. agencies \$90 million the EEC \$90 million, the International Fund for Agricultural Development \$17.50 million while the remaining \$1,216.72 million came from members of the consortium as bilateral assistance.

This compares to the total of \$3,025.29 million pledged by the consortium in 1979-80, but this did not include assistance from Britain and Canada which could not make pledges during the consortium meeting for the year.

Loans worth \$1,838 million--including \$400 million for the Bombay High project--were signed with the World Bank group until the end of 1980 while another \$914 million were in an advanced stage of negotiation.

CSO: 4220

NEED FOR REVIEW OF RESERVATIONS SYSTEM SEEN

Bombay THE TIMES OF INDIA in English 21 Apr 81 p 8

[Article by K. C. Khanna]

[Text]

IN the traumatic aftermath of the anti-reservation agitation in Gujarat, the state's chief minister is said to have suggested the appointment of a commission for a "thorough" inquiry into the issues at stake. Curiously enough, a similar demand has been voiced by the highest policy-making body of the RSS, the storm-troopers of the Bharatiya Janata Party, whom Mr. Solanki has roundly accused, time and again, of masterminding the movement.

This apparent convergence in the views of incompatibles is, in a way, symptomatic. The RSS-BJP combine is supposed to have been instrumental in setting off a mighty wave of violence in Gujarat. In just over a hundred days it took a toll of about 50 lives, led to the destruction of Rs. three crores worth of property, and set back the economic progress of the state by at least two years. Neither Mr. Solanki nor anyone else could anticipate that protest against the state government's policy of reservations in post-graduate medical courses would attain such frightening proportions. But when it comes to the crunch, he and his arch-enemies on the other side of the political divide agree that the entire system of reservations has become untenable and that it calls for a fresh look.

In other words, the holiest of holy cows of Indian politics is no longer beyond reproach. A constitution amendment bill to ensure reserved seats for the scheduled castes and scheduled tribes in the Lok Sabha and the state assemblies for another ten years was unanimously passed by Parliament less

than four months ago. And, only last month all members of the Lok Sabha stood silent for a few minutes — for the second time in the history of the house — to adopt a resolution to reiterate their "firm commitment to the policy on reservations enshrined in the Constitution". But, for all the solemnity and the anguish displayed on the occasion at the spate of violence in Gujarat, the conscience of the people's representatives is uneasy. There is a widespread feeling that the 30 odd constitutional provisions to protect and promote the welfare of Harijans and tribals have become distorted in practice and, in fact, more divisive than useful.

ALBATROSS

How to shake off the albatross of such aberrations will remain a central concern of the Indian polity for some time to come. Regardless of whether the RSS-BJP combine and other opposition parties did or did not foment trouble, the case conflict in Gujarat would not have acquired the dimensions of a caste war but for a burning conviction in the righteousness of their cause on both sides. No doubt, the unceremonious treatment meted out to Dr. Manoj Shah, a brilliant and polio-stricken student, when he was denied a seat in the post-graduate course in pathology — something that he richly deserved by virtue of his academic record as well as physical handicap — on the ground that it was "reserved" for the backward classes was provocative. But the tinder-box of accumulated hostility was already there to

get ignited by the spark.

The antipathy towards the neo-literate Harijans is pervasive in the student community and the bureaucracy in Gujarat, as elsewhere.

And, it is fuelled by a growing sense of injustice. Accelerated promotions in the administrative services, given as a matter of routine to scheduled caste and scheduled tribe candidates, not only discriminate against merit but also play havoc with efficiency. In the institutions of higher learning, the principle of preferential admission at the undergraduate level has been extended in Gujarat, as in some other states, to the post-graduate courses, along with the so-called carry-forward system (under which seats not filled in one year due to lack of suitable candidates are added to the reserved quota next year), the roster (to provide for reservation in favoured courses) and interchangeability (so that seats reserved for Harijans can be filled by tribals and vice versa). On top, there is a deep-seated fear among the upper castes that similar privileges will be sought and given to the numerous "backward classes" other than scheduled castes and tribes.

On the other hand, the up and coming Harijans are equally convinced that the upper caste Hindus are out to "get them" by hook or by crook. Allegations that confidential reports and examination results are manipulated to their disadvantage are by no means confined to Gujarat. Year after year the Commissioner for Scheduled Castes and Scheduled Tribes reports to the President as to how members of the two communities

are discriminated against in the services in all states and at the Centre.

PERVERSY

As for professional courses, the perversity of upper caste examiners in some states knows no bounds. In Gujarat itself Harijan medicals have quoted innumerable instances of candidates who did well in theory (where secrecy is easier to ensure) and inexplicably failed in practicals. And they also claim, with some justice, that those of them who ultimately manage to make the grade serve the state better than non-Harijan doctors. The latter are generally reluctant to man hospitals in Gujarat's remote and relatively under-developed districts while the former are glad enough to go there.

But the caste conflicts in the urban areas are not even half as fierce as the clash of interests in the villages where economic deprivation of the Harijans and the tribals is reinforced by social degradation. Though a bill was enacted in 1955 to protect civil rights and enforce equality, the practice of untouchability persists. Even now Harijans and tribals are barred from a majority of temples and rural tea stalls. In most village schools they are forced to sit in a separate corner. And they cannot draw water from the common pot. In Haryana and some other states, the government itself has dug separate wells for them!

What is worse, the suppression, segregation and exploitation of the Harijans in rural India is sustained by naked violence. Except for a perceptible decline during the emergency, the reported cases of murder, arson, rape and other serious crimes against the community have been going up and up.

Violence is often endemic in a

society in transition. But in rural India it has been perpetrated for centuries to keep the "untouchables" under the heel. It has thus served as an instrument for the stigmatisation. If not also the stratification of a

hierarchical and unjust social order. Every regime in the country till the dawn of independence condoned or actively promoted it. During the last thirty years, a systematic attempt has been made, however, to curb caste violence on the one hand and to ameliorate the plight of the Harijans and Adivasis on the other. State intervention for the first purpose has almost wholly failed while in the second sphere the results have been at best somewhat patchy.

Nearly six million Harijan and Adivasi students, for instance, are today receiving pecuniary stipends and another five lakhs post-matric scholarships. The rate of literacy among the two communities has thus been going up faster than among others, though admittedly from a lower base. Equally to the point, some 3.5 million Harijan and Adivasi landless workers have been allotted house-sites. But all this "progress" must be seen in the context of what is happening to members of the other castes and classes. Harijans and Adivasis, between them, form nearly 21.5 per cent of the total population. If most of them are still below the poverty line, at least another 27 per cent of the population is no better off.

NOT PIECEMEAL

All this means that the battle against poverty must be waged on an indivisible front, not piecemeal. Sub-plans being framed by the Planning Commission for the tribal areas would be of only a limited value even though the tribals often form a compact social

group and live in well-defined belts. For, encroachments from the rich and the poor in the surrounding areas will nullify all such efforts. As for the 100 million Harijans, scattered on the fringes of so many villages and towns, Yojana Bhawan's approach is bound to be utterly self-defeating. A special well dug for the Harijans in a hamlet, for instance, is bound to lead to heartburning and violence if their high-caste neighbours have no water to drink. The Janata-Lok Dal governments had decreed that every plan project or programme should have a "special component" for the scheduled castes. This only created confusion in the implementation of schemes, apart from bad blood between neighbouring communities.

Likewise, the national consensus on the continuance of political safeguards for the scheduled tribes and castes by way of reservation of legislative seats will have to be buttressed by a similar agreement to do away, in a phased manner, with preferential promotions in the administrative services, the roster system in postgraduate technical and medical courses and similar aberrations. For, in nine cases out of ten they create more problems than they solve for the favoured individual and are, in any case, of no benefit to the community at large.

Indeed, it is time the importance of rewarding merit, regardless of caste, in the public services is once again duly recognised and all kinds of privileges that are being accorded to the so-called backward classes, which are no longer backward in either political or economic terms, are also gradually withdrawn. Once this is done, the distortions that have crept in the policy on reservations for scheduled castes and tribes will be much easier to correct.

HIND MAZDOOR SABHA NATIONAL CONVENTION OPENS

Madras THE HINDU in English 18 Apr 81 p 12

[Text] Cochin, April 17--Mr D. D. Vasisth, acting president of the Hind Mazdoro Sabha, today deplored what he called the tendency on part of both the Government and other employees to breach agreements with workers.

The strike in the public sector undertakings was precisely due to "breach of an agreement by the Government," he said.

He was presiding over the three-day 20th biennial national convention of 124S which began here on Friday.

Mr Vasisth said the Central Government "sought to crush the legitimate demands of the working class. In its eyes the organised working class was an 'anti-social element,'" he added.

He said the HMS was ready for talks with the Centre to work out a national strategy to eliminate unemployment and poverty.

Mr Vasisth suggested the trade unions in the developed countries pressure their Governments for a massive transfer of financial resources to the developing countries to bring about a new international economic and social order.

Referring to the 'Polish workers' strike, Mr Vasisth said the Indian working class should raise its united voice in support of their demands. "This will be in our own interests as well, as suppression of the working class at one place, if goes unchallenged, leads to suppression elsewhere."

Support for Solidarity

Mr John Vender Veken, assistant general secretary of the International Confederation of Free Trade Unions, inaugurating the convention set the tone by declaring that the confederation stood solid with 'Solidarity,' the free trade Polish trade union movement.

About 1500 delegates from all over the country and some fraternal delegates from abroad are attending the convention.

Mr Vender Venken, in his inaugural address, said that without urgent concerted action the 'intolerable' poverty of 800 million people in the developing world would worsen. The ICFTU had been advocating a global approach and to tackle the situation. [as published]

It would seek to influence the heads of Governments of seven most economically forward States meeting in Ottawa in July in this regard, and would request early meetings with the International Monetary Fund and the World Bank to press for greater trade union involvement in their programmes, he said.

Mr Dragovic Vladimir of the Council of Trade Unions in Yugoslavia, Mr Thomas A. Rusch of the American Federation of Labour-Congress of Industrial Organisations (AFL-CIO), Mr Ma Wi Pin of the National Trade Union Congress, Singapore, Mr Ponus Thailuam of Thailand Trade Union Congress and Mr K. G. Sreevastava of the World Federation of Trade Unions were present.

Mr Thampan Thomas, president of the Kerala State committee, welcomed the gathering.

Presenting his report to the convention, Dr Shanti Patel, general secretary, said the condition of the country, economically and politically, had never been worse. In sharp contrast to the atmosphere of freedom during the Janata rule, they found today a "trend towards authoritarianism," he added.

The ruling party was adopting a set of norms in States where it was in power but negatived them in States where it was in the Opposition, he said.

CSO: 4220

NEED FOR REORGANIZATION OF BORDER FORCES STRESSED

Calcutta THE STATESMAN in English 20 Apr 81 p 8

[Article by G. C. Katoch: "Border Forces: A Blueprint for Reorganization"]

[Text] Discussing the functioning of our various border forces, the author, who retired as Financial Adviser of the Defence Services, finds major weaknesses such as duplication of effort and lack of a unified command. Arguing that our existing border forces are more suitable for maintaining law and order than for border vigilance, he suggests the creation of a unified border force of Army recruits and under Army control, with a military rather than a police ethos.

The land frontiers of this country stretch over a length of more than 15,000 kilometres. Except for the borders with Nepal and Bhutan, the rest are "live" borders either because of the state of relations with the neighbouring countries or problems of insurgency and infiltration.

To guard these borders we have, in addition to the Border Security Force (BSF), a number of para-military and police forces deployed along different sections, viz., the Indo-Tibetan Border Police (ITBP), the U.P. Special Police Force (UPSPF), the Assam Rifles and the Special Security Bureau (SSB). Their assigned roles range from border patrolling in order to check infiltration, smuggling and other trans-border crimes to counter insurgency and, in the event of war, limited operational tasks like protecting vital installations, guarding prisoners of war, and so on. They are also expected to have some capability of absorbing the initial enemy thrust till the regular forces can take over. Of these forces, the Assam Rifles operates under Army control and also draws its officers from the Army; the UPSPF is under the State Government; and the others are under the Ministry of Home Affairs.

The present arrangements are known to suffer from a number of major weaknesses. Parallel and different types of forces operate in the same areas doing practically the same job. Examples of such duplication of effort are ITBP and Ladakh Scouts (an army unit) in Ladakh. UPSPF and ITBP on the U.P.-Tibet border, and Assam Rifles and SSB in the eastern sector.

Scale

Further, excessive logistical, administrative and training infrastructures have been built up over the years. The BSF, conceived in 1965 as a lightly armed force for border policing, has gradually developed into a parallel army on a small scale. It has acquired armour, artillery and rockets; it has its own helicopters, transport and executive aircraft, patrol boats and an R & D Wing. It meticulously copies military trappings and ceremonials. The ITBP, for its part, trains itself for the most unlikely role of guerrilla warfare. It has even been sending its personnel all the way to Norway for ski-training. (It is, of course, no secret that the steep and rocky slopes on our side of the Himalayas are generally not suitable for skiing.)

Another serious drawback is the absence of unified command and control. This means, diffusion of responsibility and, in the event of border incursion or any other emergency, can cause confusion and delay in taking responsive action. It also provides fertile ground for mutual mistrust and mud-slinging. The pity is that even where these forces are functioning under the Army's operational control, the arrangement often does not seem to work due to divided loyalties. The border outposts are likely to report direct to their bosses in Delhi, completely bypassing the local military authorities who are the ones most immediately concerned. Strangely enough, this can happen even in the case of air space violations.

At times, ill-interpreted intelligence or distorted facts are fed to the Central authorities. This has led more than once to rather piquant situations. In June 1975, for example, an ITBP report about Chinese troop movements created quite a flap in Delhi till, on investigation, the report was found to be largely based on someone's imagination. A few months later, a minor incident on the U.P.-Tibet border came to be blown out of proportion, causing the entire border to be activated and the armed forces needlessly placed on alert. And these are not isolated instances.

The fact is that by training, experience and attitude, personnel of the para-military (in reality "para-police") forces are suited more for duties relating to maintenance of law and order than to the militarily-oriented role of border vigilance. Their continuance under the patronage of the Home Ministry does not help the process of shedding their essentially police character. The BSF battalions are now being increasingly utilized on duties which are normally the domain of the Central and State police.

There is, of course, nothing wrong with such deployment. It is perhaps inevitable if disturbed conditions in various parts of the country are not to be allowed to get out of control. But the point is that, due to their differing procedures, outlook and background, para-military forces like the BSF cannot easily be integrated with the Army in a war situation. Their frequent diversion to police duties will make such integration so much more difficult.

It is clear that the existing set-up needs to be rationalized and reoriented in order to make it more fully responsive to the exigencies of peace and to increase

its battle potential in war. We have, in particular, to cut out wasteful duplication and overlapping and evolve a cohesive force, quasi-military rather than quasi-police, with undiluted responsibility under one authority. The sooner this can be done the better.

Example

An excellent example of a military-oriented border force is provided by Vietnam whose border guard units held regular Chinese Army Divisions at bay for several days in the Sino-Vietnam conflict of 1978. In our country a useful model is the recently created Coast Guard under the Ministry of Defence. Its role in peace is to protect the economic zone along our coast and, in war, to support the Navy in guarding harbours, patrolling, etc. A distinctive feature is that while functioning directly under the Defence Ministry, it shares common facilities with the Navy and has adopted similar practices and procedures. This will ensure smooth and rapid transition to a war role, should the need arise. This may be a crucial factor in a future war which is likely to be short and intense, with little prewarning.

The Army Chief is believed to have approached the Government with certain proposals which, in essence, involve merger of the several existing forces into a unified border force under Army control. While the suggestion is welcome, it does not go far enough. We do need a single border force but it has to be homogeneous and with a military ethos. Not only should it be led by serving and released Army officers but also manned at lower levels dominantly by ex-Army personnel, with some necessary element of direct recruits for high altitude areas.

The new force must be younger, for which the retirement age would have to be lowered from the present 58 to around 50 years. Organizationally, it may be headed by a Director General with a number of Sector Commanders of appropriate rank under him, each controlling two to three Task Forces deployed on the borders--somewhat akin to the pattern on which the Border Roads Organization already operates. The Director General should be placed under the administrative control not of the Army but preferably of the Defence Ministry so that the Army does not get directly involved in border incidents or in crime prevention.

The alternative of the Home Ministry retaining control must be ruled out because the desired military potential will never be fostered that way. Functionally, the arrangement envisaged is that while matters relating to policy, discipline, personnel management, etc. will be handled through departmental channels, in all operational matters the Sector and Task Force Commanders would be fully responsible to the local military formation commanders.

Forces

The various forces now employed on border security would either cease to exist or be diverted to augment the CRP and to other police duties. The reorganized border force can then inherit the BSF label or, if preferred, the named "Border Guard" like the Coast Guard.

The advantages of this set-up are obvious. A single Ministry will be responsible for planning, coordinating and executing, through a well-knit agency, whatever action is called for towards effective border security. Unity of command and control will be established. Sensitive information will flow speedily to points where it is most needed. Disparities in training, arms and equipment and tactical approach will be avoided. Sizable economies should result from the elimination of duplication.

The induction of released soldiers will provide a dependable source of trained man-power and help the new force to achieve cohesion. It will also make some dent on the formidable problem of rehabilitating the thousands of servicemen sent home every year at a young age. Above all, it will be possible for the first time to take a total view of the overall requirements of safeguarding the borders and to take integrated action to match the assessed needs with adequate power.

Should such a model be accepted, much thought will undoubtedly be needed to smooth over transitional problems which are bound to arise. For this a body of experts can be asked to draw up a workable implementation plan. However, one can see that not many in the Ministry of Home Affairs are likely to be enthusiastic about losing a part of their empire. One can only hope that vested interests will not be allowed to block imperative changes in a vital area like border security.

CSO: 4220

ASSAM CHIEF MINISTER INTERVIEWED ON OFFICIAL'S DEATH

Madras THE HINDU in English 18 Apr 81 p 12

[Text] Madras, April 17--It was a World War vintage bomb manufactured in Britain that killed the Upper Assam Commissioner E S Parthasarathi ten days ago at Jorhat.

Mrs Anwara Taimur Chief Minister of Assam told THE HINDU here on Friday that ballistic experts had established that the bomb was made in 1943.

The probe by the Central Bureau of Investigation into the killing of the officer had indicated that the bombs responsible for the series of blasts in the State, found their way into Assam through Nagaland.

Mrs Taimur blamed anti-Indira forces operating in the country for trying to create instability by violent means and singled out RSS. During President's rule in Assam the RSS had run camps to train its volunteers to handle arms she said.

The Assam Chief Minister said it was tragic that a conscientious officer like Parthasarathi should have been felled. He was one officer who gave me correct reports and handled difficult situations quite courageously." She used to advise him to be careful and Parthasarathi once told her that "God is above us" and carried on.

Security measures for officials and Ministers have been tightened after the killing. Metal detectors have been fitted on to the doors of high officials, and the rooms of the Chief Minister are thoroughly checked. (The Jorhat incident has shaken officials so much that they instinctively check their chairs twice before they sit down, according to an Assam Government official.)

Mrs Taimur said she frequently received letters threatening her life. But she was not scared. "One day I have to die. Many innocent lives have been lost during the agitation. My aim is to bring security and prosperity to the State. Nothing can set me aside from this goal," she said.

'Stir May Not Be Revived'

The Chief Minister did not think that the Assam agitation, now lying low, would be revived after the University examinations. "The agitators know that they will not get the support of the people," she said.

When asked whether her Government would approach the AASU for talks, she said she would have no objection. But she pointed out that the students refused to have anything with the State Government saying it was a national problem, and wanted to sort it out with the Centre.

Mrs Taimur, who was on a two-day visit to Tamil Nadu, called on Mrs Parthasarathi here this afternoon to offer her condolences, and handed over a cheque for Rs 50,000 as ex-gratia payment on behalf of her Government.

She said her Government had instituted a science research scholarship in the Assam University, in memory of Parthasarathi.

CSO: 4220

AIR FORCE WORKS TOWARD HIGH COMBAT READINESS

Bombay THE TIMES OF INDIA in English 20 Apr 81 p 14

[Text] New Delhi, April 19 (UNI)—A major effort has been made by the Indian Air force to ensure a high state of operational readiness with gradual discontinuation of restrictions on combat exercises restrictions that were affecting the operations potential of front-line units.

According to defence ministry sources, the restrictions, particularly on low flying exercises, had been introduced some years ago to minimise air accidents, particularly those caused by bird hits.

Such restrictions, it was felt, had greatly curbed the initiative of fighter commanders, supervisors and young pilots, making them over-conscious of flight safety. It was also felt that the restrictions would adversely affect the morale of the fighter pilots.

The IAF discontinued the restrictions to maintain a very high level of air combat-worthiness at all times. The recently acquired deep penetration strike aircraft--Jaguars--are considered specially suited for low-level flying and at near sonic speeds.

Sources said while greater emphasis was being placed on combat capability, the emphasis on flight safety remained very high and, in terms of priority, was next only to combat capability.

In the mid-70s about 60 per cent of air accidents in the IAF occurred during non-tactical exercises. This had been brought down to 40 per cent during the last three years.

Pilots' error accidents had also been reduced from around 4 per 10,000 hours of flying in the early 70s to less than one per 10,000 hours now.

According to published figures, the United States Air Force (USAF) loses 25 to 30 aircraft every year in low flying accidents. In combat exercises, the air crew are subjected to very high speed accelerations and G factors which, sometimes, cause loss of consciousness of the pilots for short durations and other accompanying hazards. It is learnt the USAF lost 17 aircraft last year owing to loss of control by pilots during combat training exercises. The IAF losses, in similar circumstances, over the last three years, have been a fraction of this number.

Since all operational missions during war have to be carried out with dash, courage and confidence, pilots are encouraged to face risks. Excessive emphasis on flight safety affects the fighting potential. The Indian airspace, especially at low altitudes is heavily infested with vultures and kites. The presence of these birds poses a very serious hazard, particularly to high performance aircraft now in the inventory of the IAF.

Air Force headquarters are now engaged in an in-depth study of this with the assistance of the Bombay Natural History society, and several remedial measures have already been introduced. These should be of great help to civil aviation as well.

According to statistics available, more than 150 civil aircraft suffer bird hits every year. However, in spite of greater exposure to this risk due to the low-flying involved in tactical training exercises in the Air Force, the number of Air Force aircraft now suffering bird hits is less than 50. Careful programming and supervision, together with quick reaction of Air Force pilots has helped to keep such accidents down to the minimum.

Air accidents in the transport wing of the IAF have also been progressively reduced, though, such aircraft, including helicopters, undertake a large number of sorties every month in extremely difficult terrain and weather conditions. Many operations, including rescue operations by helicopters, have to take place without aids like radar which are today standard equipment for civil flying.

The Indian Air Force is, however, still operating some aircraft like Dakotas which were introduced nearly 40 years ago. However, by very careful maintenance, supervision and flying skill, the accident rate in the transport wing has been reduced.

CSO: 4220

ANJIAH TALKS TO PRESS ON RETURN FROM TELUGU PARLEY

New Delhi PATRIOT in English 19 Apr 81 p 4

[Text]

HYDERABAD, April 18. **A** THOROUGH and high level inquiry into the bunglings of the International Telugu Institute in organising the second world Telugu meet in Kuala Lumpur, just concluded, will be ordered soon.

This was indicated by Chief Minister T Anjiah on his return from Kuala Lumpur this morning, when gross irregularities, mismanagement and large-scale bungling of funds etc were brought to his notice by newsmen at his official residence.

However, the Chief Minister said that the conference was a grand success as a large number of Telugu people from various walks of life participated in it. He expressed satisfaction over the manner in which the conference was conducted by the Telugu Association in Malaysia despite several limitations. He said delegates from various parts of the country had come in thousands, which was beyond the expectation of the organisers. In this context, he stressed the fact that Telugu were not rulers in Kuala Lumpur and most of the Telugu people were either labourers or teachers or professors.

The Malaysian Government, he said, also extend all help to make the conference a success.

He was sorry for the several artists who could not attend the conference due to some travel bottlenecks. He repeatedly said that all this bungling was mainly due to the handing over the responsibility of transporting the official and non-official delegates to one single Bangladesh-based travel agency. "I agree it was our main mistake", Mr Anjiah confessed.

Meanwhile, the internationally known Maharaja Ramakrishna, president of Andhra Pradesh Dance Academy and also Asthana Natyacharya, narrated at length the insult and humiliation and ill-treatment meted out to famous personalities in various aspects of Telugu culture and art by the International Telugu Institute on this occasion.

Several artists were left on the streets of Madras as there were none to care for them. This apart, several non-official delegates who had paid their air fares etc to the institute were stranded in Madras as the organisers were nowhere to be seen. At the same time, several third

rate artists with official patronage were given VIP treatment.

While these official delegates and artists invited by the institute were treated like refugees, scores of Congress-I men were neatly packed and sent to Kuala Lumpur at the last minute though their names were not there in the delegates' list. An eye-witness report revealed that a security officer, a senior Cabinet Minister came with over a lakh of rupees at the last minute and handed over the money and a list of 'Pradesh Congress delegates' to be despatched immediately.

The Chairman of International Telugu Institute and former Education Minister M V Krishna Rao obliged and made arrangements for their despatch even as hundreds of artists and paid delegates looked on helplessly.

Several lakh rupees, including over a lakh US dollars, were reportedly involved in this scandal. This apart, over 200 delegates even after paying their full air fare, with some paying foreign exchange, had to return from Madras. They were not even attended to and their money has not been returned.

ENGINEERING GROUP STUDIES EXPORTS TO UNITED STATES

Madras THE HINDU in English 19 Apr 81 p 6

[Text]

The Engineering Exports Promotion Council (EEPC) is making a vigorous bid to step up exports of engineering goods to U.S. by 30 per cent from Rs. 60 crores in 1980-81 to Rs. 80 crores in 1981-82.

Mr. B. P. Bhardwaj, Chairman of EEPC's Committee on Trade with North America told pressmen here today that despite the irritants created by some of the protectionist policies of U.S., Indian exports could be stepped up.

He said at present India exported 76 items of engineering goods to U.S. In these items, U.S. global imports were around 7 billion dollars (Rs. 5600 crores) and Indian share in this was only Rs. 60 crores, which represented a mere one per cent.

The EEPC has organised a workshop from Monday to identify the areas in which Indian and U.S. firms could cooperate in setting up ventures in India with buy-back arrangements and also in third countries. The implications of recent developments in U.S. commercial policy on Indian exports of engineering goods will also figure. The workshop is expected to suggest specific measures to increase the present level of exports.

Mr. Bhardwaj said besides hundreds of Indian industrialists, a U.S. buyers would participate in the workshop. One of them was interested in getting crank shaft grinders manufactured in India according to their technical knowhow for shipment

to U.S. and third countries. Another U.S. firm was interested in making pressure vessels and refractories for export to South East Asia.

Referring to some of the constraints to exports to U.S., Mr. Bhardwaj said the imposition of countervailing duties on industrial fasteners and castings had affected exports of these items. But, the U.S. importers of these items were keen to secure them. In addition to 76 items now being exported, 25 more items had been identified for exports to U.S.

Mr. Bhardwaj noted that Hong Kong, Taiwan, South Korea, Mexico and Brazil would lose U.S. duty-free treatment under GSP (Generalised Scheme of Preferences) from March 31 this year as they no longer had the "competitive need" for special duty-free treatment. This had opened up further opportunities for exporters from developing countries like India, to become competitive vis-a-vis suppliers from these countries to the extent that they would be subject to payment of normal duty.

He said the EEPC proposed to organise similar workshops for in-depth study of possibilities of exports to other regions also. It had fixed a target of Rs. 1,150 crores for 1981-82 and Rs. 9,300 crores for 1990-91.

DELHI REPORTED CONCERNED OVER CONTINUED PRICE RISE

Madras THE HINDU in English 19 Apr 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, April 18--The Centre is quite worried over the continued rise in prices, despite a noticeable improvement in the general economic situation, disproving the earlier assumption that a mild budget would help to contain inflation.

A series of stringent measures, leavened with some incentives for increased production, are being planned to crack down on economic offenders with some incentives for increased production, are being planned to crack down on economic offenders with intensified searches and seizures, stricter enforcement of controls, a vigorous drive against tax evasion and liberal use of preventive detention to curb the activities of the big operators thriving in the present atmosphere of all-round shortages and high prices.

The purpose of this punitive drive is to combine firm administrative action for curbing economic offences with an imaginative approach to problems of production and distribution. The Finance Minister, Mr R. Venkataraman, has been hinting of some harsh steps to punish the culprits and enforce better economic discipline.

Disappointed: The Prime Minister Mrs Indira Gandhi, is reported to be rather disappointed with the performance of some of the economic Ministries, which has led to the impression that she is probably planning a shake-up to put more experienced Ministers in pivotal positions.

The Planning Commission, too, is heading for some changes to make it a more effective instrument for monitoring performance in key sectors and suggesting corrective steps at various levels for achieving the prescribed targets.

But she is not likely to disclose her mind even to her close confidants until she is ready for wielding the big stick and administering some shock treatment to her Government. Any such action involving a reshuffle of the Cabinet can be taken only after the end of the current Parliament session.

There will be no indication of the nature or extent of the proposed changes until Mrs Gandhi has returned from her visit to Geneva before Parliament

adjourns after adopting the budget. By that time she will have taken parallel steps to tone up the administrative machinery by appointing a number of new Secretaries in place of those due to retire soon.

But unfortunately the enforcement agencies of the Government dealing with economic offences are in such a bad shape that the Government cannot totally depend on them to act efficiently and impartially in the event of a major crackdown. One of the major problems facing the Prime Minister is how to undo the damage done to the administration through arbitrary removal or retirement of many competent officials on purely political considerations.

The Prime Minister knows only too well that the big majority in Parliament cannot by itself provide for stability in the absence of matching performance by her Government. There can be no economic discipline without matching political discipline in the permissive atmosphere now prevailing in the country. It calls for a much deeper introspection than a mere readiness to punish the big economic offenders who wield considerable political influence.

The Cabinet committees, monitoring cells coordinating bodies and enforcement agencies concerned cannot function effectively without a proper sense of higher direction and a determination to get things done within the existing system of government. It is equally necessary to demarcate clearly the areas of responsibility with proper accountability for pin-pointing the bottlenecks and other sources of failure.

Coordination: The general expectation is that until the newly appointed Principal Secretary to the Prime Minister, Dr. P. C. Alexander, is firmly in the saddle, there will be no coordinating authority at the higher administrative level to advise the Prime Minister, and initiate the necessary steps in her name.

And when the railway freight rates were increased, it did not occur to the Government that the prices of almost all commodities would go up even with the marginal increases in production.

— one senior economist put it, the present malaise can be traced to a peculiar combination of factors which has contributed to the present sad situation. A demoralised bureaucracy, a permissive polity, a rapacious business community, a refractory labour, an ignorant public and the politics of populism have been collectively playing havoc on the national life with no scope for any single remedy available to set things right.

WRITER REVIEWS DEVELOPMENT OF SIKH SEPARATISM

Madras THE HINDU in English 20 Apr 81 p 8

[Article by K. K. Katyal: "Religion, Politics and Emotions"]

[Text] The talk of 'Khalistan,' a separate State for Sikhs, has been revived as a result of the power game of the Akalis. The two rival groups are now swearing by a resolution passed in 1973 for the maintenance of the independent entity of the Sikh Panth. This has serious implications for the Centre and the State.

Sikh extremism, of late, has found expression in catchy slogans coined by the two rival Akali Dals, each trying hard to establish its credentials as the real party. In this competitive bid they have allowed themselves to cross the limits which they certainly would have observed had they been a united party.

Generally speaking, the emergence of extreme trends could be ascribed to the power game of the Akalis. After they had parted company with each other, the group led by Sant Harcharan Singh Longowal and the former Punjab Chief Minister, Mr Prakash Singh Badal on the one hand, and the former united party chief, Mr Jasdev Singh Talwandi, and his associates on the other, sought to sway the Sikh masses and this could not be done except through extreme postures. They were clear that moderation would not pay and so avoided it like the plague.

That, however, does not fully explain the timing of the present spurt, the recurring talk of "Khalistan" (the abode of the Sikhs) or of the Sikhs-are-a-nation theory, or the suggestion that the Sikhs need associate membership of the U.N. for the protection of their religion.

U.N. Membership Idea

The present phase began with the Sikh educational conference held at Chandigarh in the middle of March where a Washington-based India-born American national, Mr Ganga Singh Dhillon, sought to sell the U.N. membership idea as a safeguard against attacks on the Sikh way of life. The cheers that he received and the "long live Khalistan" slogans that greeted his formulations suggested that it was not an innocent affair, certainly not an 'educational' show.

Who was the brain behind it was not clear, but the plan, doubtless, was carefully prepared and executed. Particularly notable was the presence of the community's elite--a former High Court judge and many others who, not long ago, occupied high civil posts--at the conference and the impression of tacit approval of the happenings conveyed by them. It was not a case of the gullible masses having been taken for a ride by a cunning visitor from abroad.

The damage could have been contained had the leaders of the two Akali Dals not sought to exploit the feelings aroused by the Chandigarh conference to their partisan ends. To start with, they neither owned nor disowned the separatist demand but kept their attitude delightfully vague. They seemed to confirm the complaint that the Sikhs got a raw deal and that there had been interference in their religious affairs.

The fact that the Centre relied on a pro-Congress(I) Sikh leader of Delhi, Jathedar Santokh Singh, for organising the visit of pilgrims to Pakistan earlier this month, and not on the accredited organisation of the community in Punjab, had chagrined them and this was reflected in their reactions to the education conference.

Loose talk

As a result the loose talk of Khalistan caught on. Till then it was associated with the fanatic fringe of Akali politics, so much so the adventures of a small-town medical practitioner, Dr Jagjit Singh, who, amassing wealth abroad, floated a 'Khalistan Airways' and issued passports (of course, for high consideration) were almost amusement. But no longer. It began to be mentioned as a serious proposition.

But all those who appeared impressed by the Khalistan slogan necessarily entertained dissimilar ideas but were attracted by visions of greater control of, and a bigger say, in the affairs of their area. Even the two Akali parties, while cashing in on the trends set off by the educational conference after a few days of provocation, asserted that they were no separatists. The Talwandi group, more vocal of the two, which utilised the Baisakhi festival on April 13 for a convention at Anandpur Sahib, committed itself to a struggle for the 'autonomy' of Punjab. Mr Badal and Sant Longowal decried the secessionist talk while reaffirming their belief in increased powers for the States.

However, none of the two Akali Dals disowned the theory that the Sikhs constitute a separate nation. On the contrary it was endorsed by the Shiromani Gurdwara Parbandhak Committee (SGPC), dominated by the moderate Sant-Badal coalition. Here again, it was not clear whether the Akalis had in mind the textbook definition of a nation which involves the concept of a State. Perhaps the idea of separate nationhood was sought to be fostered in the context of the distinctiveness of the Sikh religion and customs but there was considerable scope for confusion.

These are fine distinctions comprehended only by those familiar with the intricacies of political science. The talk of a separate nation when coupled with

the plea for associate membership of the U.N. can encourage secessionist trends. This is not an unreal danger specially because "Bir Khalsa," a militant organisation of Sikh youth, makes no secret of its advocacy of a separate State and religion, politics and emotions are sought to be mixed to make a case of a "betrayal of Sikhs in independent India."

Curious Twists

Political rivalries give curious twists to the whole affair. For instance, the Sant-Badal group, when accused of prevarication on the Khalistan issue put the blame on the Congress(I) for encouraging those responsible for the separatist talk. This is how this point is elaborated--the Sikh educational conference is a subsidiary of the chief Khalsa Dewan which had always, before and after 1947, been on the side of the establishment and would not have offered its platform to Mr Dhillon had it been clear about the Government's displeasure.

The official hand is also seen behind the bellicosity of the Talwandi group which, it is alleged, is sought to be boosted to counter the Sant-Badal party. The argument that the Congress(I), for its own survival, fosters divisions among the Sikhs is a pet subject of discussion in gossip chambers of Punjab. This is because of the parallel in the Sixties when the late Pratap Singh Kairon, once the powerful Chief Minister who was known for his skill as a tactician, built up Sant Fateh Singh, a little known religious figure of a Rajasthan Gurdwara, to counter the influence of the then chief of the Akali Dal, Master Tara Singh.

It was a different matter that the plan did not work and Sant Fateh Singh became too powerful not only for Master Tara Singh but also for Kairon and succeeded in getting Punjab reorganised on the linguistic basis--an eventuality which the Congress wanted to avert. The irony is repeating itself--so say those who believe in this theory--because the separatist talk, initiated from a platform not known to be hostile to the Government, has boomeranged on the Congress(I).

Potential for Trouble

All this may be junk, but there is no mistaking the potential for trouble created by the Indo-Sikh, the communal problems aroused in Punjab and the misunderstandings created between a section of the State's population and the Centre. Equally dangerous are the indications that neither the Centre nor, perhaps, the State government, seriously appraised the danger. No other conclusion could be drawn from the free run that the advocates of a 'separate nation,' 'separate nation' and 'separate State' have had for the last five or six weeks. A belated show of displeasure by the Government has led to disclaimers by them now.

In their present postures, the rival Akali Dals swear by the Anandpur Sahib resolution framed in October 1971 as the united organisation. The Akalis then were in opposition and there was no chance, in the foreseeable future, of coming to power. It was natural for them to guard against the risks that go with political wilderness and to chalk out a programme of action in view of the "anti-Sikh policies" of the Congress Government. After protracted deliberations, a comprehensive document was prepared and for purposes of an appropriate impact, the Working Committee met, for the final decision, at Anandpur Sahib, a hallowed place near Sangal, where the Khalsa or Sikhism was born.

Anandpur Sahib Document

The document, as approved unanimously there, defined the aims of the Akali Dal. Among these was the resolve to work for the maintenance of the 'separate, independent entity of the Sikh Panth and creation of an environment in which the national expressions of the Sikhs are full and satisfactory.' To achieve this the Akali Dal committed itself to a struggle at the political level for the inclusion in Punjab of the Punjabi-speaking areas, which were kept out of it (These included Chandigarh and places which were and still are in Haryana, Himachal Pradesh and Rajasthan).

The document spoke of the new Punjab, in which the interests of the Sikhs are specially protected, and where the authority of the Centre is confined to a few subjects, like defence, foreign affairs, communications, railways and currency and residuary powers remain with the State with the right to frame its constitution.

Other points included the Akali Dal's anxiety to bring all the gurdwaras or Sikh shrines in the world under the banner of one organisation, to have free and self-regulated access to holy places in Pakistan like Nankana Sahib, a plea for a reorientation in the foreign policy to promote friendship with the neighbouring countries where Sikhs live and their sacred places are located.

There was little follow-up action in 1974 and nothing was possible, in any case, in the following two years because of the Emergency. The political context changed miraculously after the Emergency for the Akalis who headed a coalition with the Janata Party.

With this, the earlier compulsions vanished and though the Anandpur Sahib resolution was approved by the general body of the Akali Dal in August 1977, nearly five years after the Working Committee decision, and the then Akali Chief Minister, Mr. Prakash Singh Badal joined his opposite numbers elsewhere in the demand for greater financial autonomy, it was invoked only occasionally so as to create the impression that it had not been forgotten.

With the change in the situation and the Akalis out of power, the Anandpur Sahib resolution acquired a new validity and became a key document again.

The looseness and the ambiguities of the expressions used in the resolution came handy to Akali politicians who put interpretations suiting the requirements of their respective factions. This, perhaps, cannot be helped in the present situation.

STATES ASKED TO IMPROVE STATISTICAL SYSTEMS

New Delhi PATRIOT in English 20 Apr 81 p 8

[Text]

THE Planning Commission has asked the States to employ all modern methods, including statistical and quantitative techniques, to achieve better returns from the old and new investments, reports UNI.

The need for achieving 'a high rate of growth' has assumed urgency and importance in view of the limited possibilities of large-scale foreign investment, according to notes prepared by the Commission.

At the outset, the note points out that the present statistical system, evolved when the Government was mainly an administrative and service agency, does not contain a sub-system to perform new statistical functions.

The system should be revamped to cover an area wider than the present one limited to the socio-economic and demographic status of the country to help project evaluation and to improve efficiency, quality and reliability of production.

The note calls for improvement in survey techniques with the use of computers. Apart from storage and analysis of data,

computers can be used for improving the design and sampling procedures.

The Indian statistical Institute is developing a computer software for the purpose so that the usual delay of scrutiny and editing of data can be minimised.

The note has mentioned a few cases where in the absence of modern techniques, the results were disappointing.

It warns that unless pilot and substantive projects are quantitatively evaluated, lines of improvement cannot be discovered, much fruitless investment may take place and unworkable projects may be continued.

- Statistical Quality Control (SQC) techniques and those derived from reliability theory are widely used in developed countries.

In India, the note points out, the benefits from these techniques, or even their existence, are not too well known.

The ISI has been promoting these techniques for many years. Since there is no well-defined policy regarding quality and reliability, even the public sector has made only sporadic use of these methods.

PLANNING COMMISSION BEGINS REVIEW OF ECONOMY

Bombay THE TIMES OF INDIA in English 19 Apr 81 p 1

[Text] A high-level review of the economy, particularly the key sectors, has been undertaken by the Planning Commission at the instance of the Prime Minister, Mrs Gandhi.

Mr Mohammad Fazal, member-in-charge of industry and infrastructure in the commission, has already initiated an on-the-spot review which will take him to all the state capitals and major industrial centres.

The exercise has three main objectives. The first is to review the performance of sectors under his charge in 1980-81. These include industry, including small and village units, minerals, power, energy, transport and shipping, communications, housing, urban development, water supply and labour welfare.

The second is to see how best the administrative and developmental machinery could be geared up and infrastructural constraints removed to achieve the targets set for 1981-82 in the state plans.

The third is to ensure quarterly monitoring of projects regularly as per the commission's guidelines and see to it that monitoring reports are sent regularly to the commission.

The Prime Minister has laid great emphasis on regular monitoring and quarterly reports so that there is no let-up in implementation of the plan projects.

Mr Mohammad Fazal will also review the district development plans through random sampling. The review will cover both industrial and agricultural projects.

Regarding Central projects, Mr Fazal has initiated in-depth discussions with central ministries on the same pattern as in the case of the state plans, that is, a review of the performance of projects in 1980-81, setting targets for 1981-82 and monitoring.

Advisers in the Planning Commission have also undertaken on-the-spot studies of state projects. The objective is to help the states implement projects according to the time schedule and cost estimates, remove infrastructural constraints and overcome deficiencies in the project implementation machinery.

'NONOFFICIAL' BILL PROPOSES COMPULSORY MILITARY TRAINING

Bombay THE TIMES OF INDIA in English 17 Apr 81 p 13

[Text] New Delhi, April 16 (UNI)--Compulsory military training, at least for a year, to all able-bodied persons in the country above 18 years has been proposed in a non-official bill introduced in the Lok Sabha today by Mr K. P. Singh Deo (Cong.I).

According to the member, military training would instil a sense of discipline and develop character, mental robustness and physical fitness in the youth. It would also enable the state to draft the youth to second line of defence in times of threats to the security of the country and for relief operations during national calamities.

Mr Singh Deo's bill was among the ten non-officials bills introduced today.

Mr Chitta Basu (FB) introduced a bill suggesting the repeal of the Police Restriction of Rights Act of 1966 as it was "undemocratic and smacks of authoritarianism and bureaucratic attitude on the part of the administration."

The spurt of agitations by police personnel in different states in the recent past had proved that the purpose of the Act to enforce discipline in the ranks of the police had been defeated, Mr Basu said.

CSO: 4220

FOREIGN AID SOUGHT IN RAIL ELECTRIFICATION

Bombay THE TIMES OF INDIA in English 17 Apr 81 p 9

(Text) Bangalore, April 16--The railway ministry has thrown upon the financing of its massive electrification programme to foreign countries.

If any country came forward with financial assistance, it would be welcome, the Union minister of state for railways, Mr C. K. Jaffer Sherief, said here today.

The railways are going in for electrification in a big way to reduce the dependence on coal. The current year's railway budget provides for Rs 400 crores for electrification. Both shortages in coal output and hindrances in coal movement have added to the delays in train-running.

Mr Sherief conceded that punctuality was not up to his expectations and cited difficulties in getting the required quantities of coal in time as a cause for trains running behind schedule. He had visited Andhra Pradesh to talk to the coal mining authorities and local officials in an attempt to bring about an improvement in the coal situation.

The minister told newsmen that the law-and-order problem created in some states in various forms of agitations was another factor contributing to unpunctuality, particularly in the case of long-distance trains. However, this was not a major problem from his viewpoint.

There had been a considerable improvement in the punctuality of freight trains and the railways now hoped to give better attention to the running of passenger trains, he said.

Mr Sherief announced that a new Bangalore division would start functioning next month. Mr P. M. Joseph, a senior railway official, had been posted off-duty on special duty to organise the division which would speed up the development work.

The first phase of the Rs 130-crore wheel and axle plant, near here, is expected to go on stream in the second half of 1982, Mr M. Beliappa, general manager, said.

FOODGRAIN MOVED TO NEEDY STATES IN SOUTH

Calcutta THE STATESMAN in English 14 Apr 81 p 13

[Text] New Delhi, April 13--The Food Corporation of India has moved nearly 10.5 million tons of foodgrain from its godowns in the north to deficient States in the south. This is more than double of what was moved four years ago.

The step has been taken to make room for the coming crucial procurement in Punjab and Haryana and secondly, to keep foodstocks nearer the areas where they are required. In March, the FCI moved one million tons of foodgrain from Punjab and Haryana, breaking all previous records, it is officially claimed.

The Corporation's principal expectation is from two States--Punjab and Haryana. Other States where wheat procurement will be a major operation are Uttar Pradesh, Rajasthan, Madhya Pradesh and Bihar. The FCI has moved foodgrain from surplus areas to deficient regions so that its procurement does not face problems because of lack of storage capacity. Earlier the FCI resorted to deferred procurement because of huge carryover stocks in Punjab and Haryana. But now the Corporation can take no such chances in view of the critical level of the buffer stock.

The FCI's storage capacity in Punjab is 4.7 million tons and 2 million tons in Haryana. The idea is to keep only minimum stocks in these two States and start procurement as early as possible. For this purpose, the railways are providing 100 metre-gauge and nearly 1,300 broad-gauge wagons daily to the Corporation. The total storage capacity of the north zone is about 7.4 million tons.

As the wheat stock is very low, the main stock in Punjab and Haryana consists of rice. The Corporation procured about four million tons of rice in the kharif season. Of this, Punjab's contribution to the central pool was the highest, with about 2.6 million tons.

CSO: 4220

CONGRESS-I DEVELOPS NEW STRATEGY FOR NORTHEAST

Calcutta THE STATESMAN in English 17 Apr 81 pp 1,9

[Article by D. P. Kumar]

[Text] Gauhati, April 16.--The Congress(I)'s latest strategy to curb secessionist and separatist tendencies in North-east India is to befriend the regional parties in the five States and two Union Territories there, then wean them--or at least part of them--over to its side, and form Governments with them.

The strategy was evolved at the recently-held convention of the North-eastern Congress(I) Coordination Committee at Dimapur, which was addressed by Mrs Gandhi at its conclusion, and had evidently received her blessings.

The Dimapur convention was held amid reports that the Congress(I) was planning to establish its Governments in the States where it was not in power--notwithstanding the point sought to be made that a week before the convention, Mrs Gandhi, while speaking at Jammu, had contested these reports and stated: "It is wrong that I have ever said that it is for us a matter of half-an-hour if we wished to topple the non-Congress(I) governments."

Naturally, the Dimapur convention did not talk of "toppling" the non-Congress (I) Governments in North-eastern India, but said that the party's efforts would be to conciliate the regional parties in order to bring them to "the mainstream of political life" of the country.

Non-Confrontation

The policy adopted is a distinct departure from the past. Senior leaders explained that they wanted the regional parties to believe that the Congress(I) did not want a policy of confrontation with them, but wished them to join the "mainstream."

Captain Williamson Sangma, who was elected chairman of the Northeastern Congress (I) Coordination Committee, stated that "what we want to do is to revitalize the Congress(I) organization in the whole of North-eastern India and strengthen it with the help of others, so that we can be in the Government when elections are held."

The Congress(I) analysis at the Dimapur convention was that during the Janata period, the secessionist and fissiparous tendencies in the North-east were encouraged. The party felt that such tendencies could be checked by a new policy on "non-confrontation" with the regional parties and securing the Governments of the States and Union Territories "when the time for it comes."

Interestingly, the Nagaland Chief Minister, who was present at Dimapur, was invited to attend a public meeting held at the football ground in the town and presided over by the Prime Minister, at which she launched the North-eastern congress(I) Coordination Committee. Later, the Chief Minister of Nagaland and his colleagues paid a call on Mrs Gandhi.

The present position in the North-eastern part of the country is that of the five States and two Union Territories, the Congress (I) is in power in one State (Assam) and one Union Territory (Arunachal Pradesh). The non-Congress (I) regimes are in Nagaland, Mizoram and Tripura, and the Congress (I) Government in Manipur has just been dissolved, following the defection of 11 MLAs to the Congress (U). In Meghalaya, the Congress (I) is in the coalition Government and it is now time for a Congress (I) nominee to be the Chief Minister, according to the agreement of the coalition.

The Congress (I) leadership has already suggested the name of Captain Sangma for the office, and hopes that this will be agreed to by the All-Parties Hill Leaders' Conference.

CALL FOR COHESION

At a closed-door meeting with her partymen at Dimapur, Mrs Gandhi reportedly asked them to reactivate the Congress (I) organization in all the States and Union Territories of the North-east. She was impressed by the way the Congress (I) men of North-east India had brought about an integrated and cohesive body (the coordination committee) to work for the entire zone and to work for pulling it out of isolation and separation.

This was necessary to tackle the secessionist ideas that were growing in the area, propagated parti-

cularly by vested interests. She wanted the Congress (I) workers to assure the hill and tribal people that her party was determined to preserve their regional culture, tradition and way of life.

In Assam

KEY ROLE PLAYERS

Apparently, Captain Sangma, who last year promoted the idea of the coordination committee, is emerging as the representative of tribal aspirations of the North-east and is going to play a key role in the scheme of things worked out by the Congress (I) for the area. He will be assisted by five vice-presidents and a number of general secretaries. The Maharajkumar of Tripura, Mr Kirit Bikram Dev, has already been chosen as one of the vice-presidents.

SEC. 144 IMPOSED

PTI and UNI add: The District Magistrate of Dibrugarh, in Upper Assam, has promulgated prohibitory orders under Section 144 Cr. P.C., apprehending breach of peace in the entire district from today, an official report received here said. The order also prohibits carrying of lethal weapons and taking out of processions.

Dr Ananda Barbora, Reader of Gauhati University, was arrested on specific charges here today, according to the police.

Official sources said Mr Barbora had been charged for his alleged involvement in extremist activities in Assam.

INCREASED EXPORT TARGET FOR 1981-82 ANNOUNCED

Bombay THE TIMES OF INDIA in English 22 Apr 81 p 15

[Test] New Delhi, April 21 (PTI)--The government today announced an export target of Rs 8,500 crores for the year 1981-82, envisaging a nine per cent growth in real terms.

Mr Prasad Mukherjee, commerce minister, told the Rajya Sabha that an export-oriented policy was absolutely necessary for the country to provide a fillip to economic development.

Replying to a debate on the working of the commerce ministry, Mr Mukherjee said that the country would have to step up exports on an average by 20 per cent every year to achieve a nine per cent growth in real terms.

He also informed the house that the total exports during 1980-81 was of the order of Rs 7,100 crores.

Charge Denied

The minister denied the allegation levelled by some opposition members that India's exports were highly subsidised.

He explained that the government was only helping the exporters to remove certain disadvantages to enable them to survive in the highly competitive international market.

"We must have a liberalised policy for export promotion. There should be unrestricted permission to import technology where we are lacking and to replace obsolete technology."

Rebutting the criticisms of the import-export policy by communist members from Kerala, the minister said that the entire economy of the state would "collapse" if exports of cardamom, processed cashewnuts, rubber and other items were stopped.

The year 1980, he pointed out, was a difficult year for international economy. Growth in international trade went down by half compared to 1979.

Mr Mukherjee said that the government's strategy was to have vigorous export efforts, reduce import wherever possible and give encouragement to import substitution.

Mr Mukherjee cited statistics to show that there had been a qualitative change in the country's exports that had increased both in terms of value and volume in the past few years.

Primary products and raw materials constituted the bulk of India's exports during the '60s. Today, manufactured items accounted for more than 60 per cent of exports.

The minister said that growing protectionism in international trade was standing in the way of export from developing countries. "We have taken it up at all international forums."

The commerce minister stressed the need for modernising the organised sector. Otherwise a situation would arise when it would be difficult to provide cloth to the people, he cautioned.

Dispelling members' doubts about the projections in the new textile policy, Mr Mukherjee said that a total spindlage of 2.5 million would be created in 100 spinning mills by the end of the sixth plan.

He admitted that performance of the Jute Corporation of India was not satisfactory. This was mainly because of an initial accumulation of 1.6 million bales.

It had been decided that the JCI would effectively intervene in the market this year and command 20 to 25 per cent of jute production to maintain prices and provide incentive to growers the minister said.

CSO: 4220

TASK FORCE TO REVIEW STRATEGY FOR PROJECT EXPORTS

Calcutta THE STATESMAN in English 17 Apr 81 p 4

[Text] New Delhi, April 15--The Government has decided to set up a task force under the chairmanship of the Commerce Secretary to review country's strategy for maintaining and expanding project exports and recommend policy and other measures towards this end. This task force will include senior representatives of various Ministries concerned and organizations.

Project exports from India have made steady progress in the past few years and, at the beginning of 1981, Indian contractors are estimated to have won project contracts totalling Rs 3,970 crores. Indian contractors have achieved notable success in civil construction.

The projects cover residential accommodation, school buildings, office buildings, university campus and hospitals water supply and sewerage schemes, road construction, dam construction, bridges and fly-overs, radio and television centres, vocational training centres, fertilizer plants airport terminal and runways and excavation and tunnelling.

Because of the special nature of project exports and their importance to the future planning of overall exports from India, the Government has provided special facilities and has taken a number of steps to ensure that project exporters participate more vigorously in international tenders and execute them properly.

Some of these measures include setting up of a high-powered inter-ministerial committee (Overseas Projects Development Committee) in the Ministry of Commerce, under the charge of an Additional Secretary, to attend to all matters pertaining to promotion of Indian Overseas projects. This committee has been functioning since July 1979.

With a view to minimizing procedural formalities for obtaining package clearance by project exporters for bank guarantees, a working group has been functioning under the IDBI. Proposals for project exporters of big bonds, performance guarantees etc. are considered by this working group and package decisions are given as quickly as possible.

COMMERCE MINISTER SPEAKS ON EXPORT, OTHER PROBLEMS

Calcutta THE SUNDAY STATESMAN in English 19 Apr 81 p 7

[Text] Addressing a meeting organized by the Calcutta Chamber of Commerce on Saturday, Mr Pranab Mukherjee, Union Commerce Minister, said that the Government was conscious of the present difficult situation in regard to the balance of payment. He said that several measures had been taken recently to step up production and exports.

Mr Mukherjee said that the import policy for the current year, announced by the Government recently, aimed at providing essential inputs to strengthen the indigenous production base and utilization of the available capacity to the maximum extent. Efforts had also been made to give impetus to larger exports and reducing the country's dependence on imports.

The Minister said that India's balance of payment position had been worsening since the past few years. The problem could be judged from the fact that the external trade deficit, which stood at Rs 1,088 crores in 1978-79, rose to about Rs 2,370 crores in 1979-80 and was expected to exceed Rs 4,000 crores in 1980-81. The adverse trends in the balance of India's external trade had been owing to the sharp rise in the cost of imports of the crude, petroleum products and fertilizer, which had not been matched by the rise in the country's exports. During the three-year period ending 1979-80, the average rate of increase in the import bill had been around 20% a year, compared to only 7.7% increase in the rate of exports.

Referring to India's performance in world trade, Mr Mukherjee said that apart from quantitative expansion, there had been qualitative and structural changes in India's exports and imports during the past decade or so. Several new items of manufacture, specially engineering goods, gems and jewellery, leather goods and readymade garments, had helped expand and diversify the export efforts. Exports of non-traditional products, which accounted for only 43.5% of India's total exports in 1960-61, increased to about 60%.

He said that one should look at the growth of the export trade in term of volume rather than in value. According to a study undertaken by the World Bank in this regard, the "quantum" growth of India's exports was 6.84% annually during the period 1970-78, against 5.88% of the world trade during this period. While world exports of manufacturers increased by 6.5% to 7%, India's trade rose to

about 131 to 132 during this period. This indicated that India's export performance was not bad. India's exports of "invisibles" in the form of project export and consultancy services, had made a definite dent in the foreign countries, he added.

In his welcome address, Mr B. K. Mohta, president of the chamber, referred to the constraints faced by the tea industry. He suggested that the rebate of Rs 1 a kg, withdrawn in 1977, be restored to make the Indian tea competitive in the world market.

Mr Pranab Mukherjee, blamed those managing the jute industry for its present plight, in his inaugural address at the annual general meeting of the Indian Jute Mills Association, Calcutta on Saturday.

The industry had systematically neglected research and development, market promotion and cost reduction measures. The Minister said the industry had not been appreciably modernized to improve productivity, nor had it assisted growers in producing better quality fibers by offering remunerative returns.

In spite of soft-loan facilities made available to the jute mills by the Industrial Development Bank of India, the pace of replacement of old machines and modernisation by the mills had unfortunately been extremely slow. The Minister said that the reasons advanced by the industry for slow utilization of this assistance was not very convincing.

Efforts made by the industry in the area of marketing and promotional measures for jute goods were "inadequate," Mr Mukherjee said. Very little had been done to explore the African and Latin American markets which had great potential. Synthetics were getting a foothold there. It was also necessary to take a look at the Australian market to probe how the industry could take advantage of the situation created by the reported contamination of synthetic wool packs. The Minister felt that there was an urgent need to set up warehouses in important foreign markets for holding buffer stocks of jute goods.

Referring to Mr K. K. Bajoria, the IJMA Chairman's contention that the interest rate, at 14%, for soft loan was high, the Minister said that the textile industry had taken full advantage of the scheme. The jute industry had been forewarned that it would miss the bus, the Minister said.

Referring to the UNCTAD seminar of the jute-producing countries, Mr Mukherjee felt that it would help evolve a common strategy in regard to certain key issues connected with early finalisation of an international jute agreement, including setting up of the International Jute Organization.

In spite with the problem of diminishing export outlet, jute goods should be made cheaper, new end uses ought to be found, new products should be made from jute, quality ought to be improved and new markets should be probed, the Minister suggested.

Mr Mukherjee stressed the need for increasing the yield per hectare beyond the present level of about 14 quintals. Referring to the imperfections of the

present marketing mechanism, Mr Mukherjee said, that because of the presence of various intermediaries, cultivators very seldom received the actual price prevailing in the market. He felt that the market coverage of the Jute Corporation of India would have to be expanded. The State Governments should also enter the field and arrange for purchase of raw jute. The Minister said he would soon hold meetings with the Agriculture Ministers of jute-growing States. The report submitted by the task force on jute textiles was under consideration of the Centre.

Mr Mukherjee said that the industry would have to realize its responsibility towards the growers. He felt that there was no justification in denying them a fair price for their produce mainly because jute was utilized as a raw material for the manufacture of exportable products.

Mr Mukherjee said that a scheme was being formulated for enlarging the level of procurement by the JCI to around 20% of the total production and to maximize purchases directly from the growers with larger involvement of village-based cooperative societies.

The accumulation of unsold stocks of jute with the JCI had not only created a serious storage problem and blocked the fund-flow, but had also prevented it from wielding an effective control over the market.

To the Chairman's suggestion for a grant of cash compensatory support, on export of jute goods, the Minister expressed surprise that a industry which had experienced profitable conditions during the past two years should be asking for such support. He felt that the industry should consider measures that would develop an in-built capacity to withstand temporary fluctuations in market earnings and avoid having to look to the Government for assistance at the slightest sign of loss. The Centre intends laying down a clear policy which would bring reasonable stability to the industry, he added.

CSO: 4220

COMMITTEE SCORES CHANGES IN COAL INDIA STRUCTURE

Madras THE HINDU in English 17 Apr 81 p 7

[Test] New Delhi, April 16. The Committee on Public Undertakings (PUC) has criticised the Government for not giving a fair trial to the concept of holding company in the working of Coal India.

"It is unfortunate that within two years of the formation of Coal India as a holding company (in 1975), changes, which diluted its role, were made and now it is proposed to abandon the concept of the sectoral holding company altogether," it said in its 17th report presented to the Lok Sabha today.

The Government's tentative thinking is that the industry should be organised on the pattern of the Steel Authority of India according to the report.

Tracing the successive steps taken, the PUC said the feeling of too much centralisation that led to certain structural changes in 1977 had not been well-founded.

They had rendered the Coal India "ineffective, if not irrelevant, the subsidiaries having become practically independent and answerable to the Government."

Though the ultimate owners of the coal companies were the Government, legally the holding company ought to have complete control over its fully-owned subsidiaries. There had to be a unit of command and blurred responsibility had to be avoided.

Explaining the advantages of a holding company as an institutionalised buffer between the Government and individual enterprises, the PUC hoped that its views would be taken into account while making further changes to remove the anomalies created in 1977.

The PUC felt that notwithstanding the thinking to further reorganise the Coal industry in a manner that would more or less put it back to the position obtaining prior to 1975, the holding company concept should be given a fair trial.

If Coal India was converted into an operating company it could become unwieldy even with a divisional setup.

Under the existing structure itself, the operating companies could be divided into suitable number of divisions and overall coordination and control exercised by the holding company clothed with sufficient authority to discharge its responsibilities effectively.

The control over the nationalised coal industry by the Department of Coal, which should be lightly staffed, ought to be minimal, it said--.

The PUC, which has made a number of recommendations on planning and development on coal production, said it received the impression on the whole that the coal sector was the weakest in monitoring.

The Coal Department had not undertaken any performance appraisal of the companies, associating the representatives of the Bureau of Public Enterprises and the Planning Commission in the manner prescribed by Government.

Review meetings: The committee was impressed with the plea that the Department had a system of reviewing the performance on daily basis and asked for review meetings to be held in the manner already laid down.

It recommended a critical examination of the information system and avoidance of duplication of efforts of monitoring and performance appraisal of the companies through daily reports on production, despatch and stock to Coal India and other organisations.

In the context of the energy crisis, it desired that coal prospecting and data collection be intensified, if necessary by augmenting Plan outlays.

It called for strengthening project planning and implementation especially in view of the need for stepped up capital investment.

Project Delays: The report highlights major project delays and huge cost escalation, factors responsible for shortfall in production, absenteeism among workers, the unsatisfactory law and order situation in mining areas, especially in the Bengal-Bihar belt, corrupt practices and black-marketing.

The cumulative losses of the companies were Rs 761.52 crores up to the end of March 1980. There had been cash losses since 1974-75 and no generation of internal resources for investment.--PTI

CSO: 4220

STEEL INDUSTRY NEED TO IMPORT COKING COAL REPORTED

Bombay THE TIMES OF INDIA in English 21 Apr 81 p 9

[Text] New Delhi, April 20: Steel Authority of India Limited will need to import 2.2 million tonnes of coking coal this financial year. In 1980-81, only six lakh tonnes was made available to SAIL from overseas sources.

SAIL's production plan for 1981-82 has been formulated on the assumption of a coking coal availability of 16.4 million tonnes with a 19 per cent ash content. Indigenous supplies are not expected to exceed 15.28 million tonnes with not less than 20.5 per cent ash content.

To handle the import of coking coal and the finished products from steel plants, special efforts would be required by the railways.

The six integrated steel plants plan for an output of 7.28 million tonnes of saleable steel this year, against 7.21 million tonnes in 1980-81.

To meet the target, the steel plants will need not only larger coking coal supplies but also a higher and more steady availability of power.

In 1980-81, the steel plants suffered from severe shortages of both coking coal and power. The requirement of coking coal was placed at 17 million tonnes but the receipt from indigenous sources was only 13 million tonnes. In addition, six lakh tonnes of coking coal was supplied from overseas, making a total of 13.6 million tonnes, representing 80 per cent of the requirement.

The plants had to operate throughout the year at very low levels of coal stocks. Apart from a serious shortfall in coking coal, the steel plants were directly hit by shortfalls, interruptions and fluctuations in power supply, particularly in the first half of the year.

According to the annual report of the ministry of steel and mines, the shortfall in steel production seriously affected the flow of funds to the "steel development fund."

The report points out that there will be a major step-up in the installed capacity, though much of it would fructify towards the later part of the sixth plan and mostly in the seventh plan.

Keeping in view the projected growth rate, inter-sectoral priorities and severe financial constraints, the National Development Council has recommended an allocation of Rs 4,000 crores for the steel sector during the 1980-85 plan period.

Among the major schemes under implementation or consideration are the Salem steel plant, a second shore-based steel plant, provision of additional melting facilities at the Durgapur alloy steel plant, a pelletisation plant based on the Kudremukh iron-ore concentrates and installation of thermal sets at Bokaro and Durgapur to augment the captive power generating capacity.

CSO: 4220

BRIEFS

WHOLESALE PRICE INDEX--New Delhi, April 19--Inflationary trends seem to have gathered added momentum in the past three to four weeks. The index number of wholesale prices (based on 1970-71 equal to 100) which stood at 266.2 on February 2, 1981 has been rising and it jumped to an all-time high at 271.8 on April 4 (the latest published by the Government). There has been no respite from inflation from January, 1980 onwards (incidentally it was the time the new Government came into power) except for a very brief period of two weeks between October 25 and November 1 in 1980 when the index number had dropped to 258.1 [Text] [Calcutta THE STATESMAN in English 20 Apr 81 p 1]

PILOTLESS AIRCRAFT STUDIED--Bangalore, April 19 (PTI)--The Defence Research and Development Organisation is developing a "pilotless target aircraft" (PTA). In view of the high cost of military aircraft, PTA performs a very useful role, particularly in training activities, the annual report of the ministry of defence has said. An air-launched target for crew training is in an advance stage of development. A sophisticated flight simulation facility for research and development is also being set up for testing, evaluation and type certification of indigenously developed flight control system related to manned and unmanned vehicles. [Text] [Bombay THE TIMES OF INDIA in English 20 Apr 81 p 14]

NEW AIR VICE MARSHAL--New Delhi, April 19 (UNI)--Air Commodore C. K. S. Raje, (AVSM) has been promoted to the rank of Air Vice Marshal and deputed to the cabinet secretariat here, according to an official release. Earlier, he was director of transport and maritime operations at Air Headquarters. Air Vice Marshal Raje made aviation history in July, 1962 when he made the first ever landing in a packet aircraft at Daulat Beg Oldi at a height of 17,400 ft. in the Ladakh region. He was awarded the Ati Vishisht Seva medal for this feat. Commissioned into the Air Force in January 1951 Air Vice-Marshal Raje has logged over 9,000 flying hours on all types of transport aircraft in service with the Indian Air Force. [Text] [Bombay THE TIMES OF INDIA in English 20 Apr 81 p 14]

BIHAR URDU STATUS--Patna, April 18--The Bihar Government, through a notification dated yesterday, has declared Urdu to be the second official language in 15 of the 31 districts in the State. The districts for which Urdu has been declared to be the second official language along with Hindi are: Purnea, Katihar, Darbhanga, Sitamarhi, Bhagalpur, Madhubani, Begusarai, Muzaffarpur, Saharsa, East Champaran, West Champaran, Nawadah, Dhanbad, Gaya and Samastipur.

According to the notification, petitions can be written and replies received in these districts in Urdu. Besides, the registration offices will accept papers written in Urdu and important Government rules, notifications, orders, forms, Government advertisements district gazette and sign boards will also be issued in Urdu in these districts. [Text] [New Delhi PATRIOT in English 19 Apr 81 p 5]

RIVAL UNION CONVENTION--Cochin, April 18 (PTI)--The Hind Mazdoor Sabha currently holding its 20th biennial convention here, has split. Top leaders of the HMS, included its vice-president, Mr S. R. Kulkarni, who is also president of the all-India port and dock workers' federation, and Mr S. C. Antony Pillai, working committee member, walked out of the convention today, held a parallel convention and told newsmen later about the formation of a rival organisation with the same name, which, they claimed, was "the genuine HMS," representing one million workers. [Text] [Bombay THE TIMES OF INDIA in English 19 Apr 81 p 9]

SHETKARI SAHAKARI SANGH CHIEF--Kolhapur, April 18 (PTI)--Mr B. H. Patil, president of the Shetkari Sahakari Sangh, died of cancer in Bombay today. He was 67. Mr Patil, who was in the cooperative movement for the last 40 years, is survived by his wife, two sons and three daughters. [Text] [Bombay THE TIMES OF INDIA in English 19 Apr 81 p 14]

RANADE QUILTS PARTY--Bombay, April 18--Dr Pandharinath Ranade, Marxist historian, has severed his connections with the Communist Party of India in protest against the expulsion of Mr S. A. Dange from the party. He has conveyed his decision in a letter to Mr Rajeshwara Rao, party general secretary, saying that he had worked for the party since childhood. Dr Ranade of Marathwada University is perhaps the first academician to leave the CPI on the issue of Mr Dange's expulsion, Dr Ranade's article with a Marxist interpretation of Shivaji had created a furor in Maharashtra a few years ago. In that he had openly disagreed with Mr Dange's interpretation of Shivaji. In the letter to Mr Rao, Dr Ranade has stated that despite Mr Dange's "romantic interpretation of Shivaji and the epitomised the conscience, creativity and wisdom of Indian Marxism." [as published] "You may ridicule this idea, but I predicted that all of us will realise this one day," Dr Ranade has said. [Text] [Bombay THE TIMES OF INDIA in English 19 Apr 81 p 14]

BJP LEADER DIES--Tellicherry, April 17--M. K. Lakshmanan, mandalam president of the Bharathiya Janata Party, who was seriously injured in an attack on his house during the recent RSS-Marxist clashes died in the Calicut Medical College Hospital on Friday morning. [Text] [Madras THE HINDU in English 18 Apr 81 p 1]

MIZORAM LIEUTENANT GOVERNOR--New Delhi, April 17--Admiral Kohli, was sworn in as the Lieutenant-Governor of Mizoram today. The ceremony was attended by the Chief Minister Brig. T. Sailo, his cabinet colleagues and the Speaker Dr Kenneth Chawngliana.--UNI. [Text] [Madras THE HINDU in English 18 Apr 81 p 9]

FORMER KERALA MINISTER--Trichur, April 17 (UNI)--The former Kerala minister and Janata party leader, Mr Koran, died at the district cooperative hospital here last night after a heart attack. He was admitted to the hospital with chest pain four days ago. He was 66. Mr Koran began life as a school teacher and

plunged into politics in the forties. He was vice-president of the Malabar kisan panchayat, joint secretary of the Praja-Socialist Party and president of the Malabar Harijan Samaj. He was a member of the Madras assembly from 1952 to 1956. He was elected several times to the Kerala assembly and was a minister in the Achutha Menon cabinet in 1969. He is survived by three sons and three daughters. [Text] [Bombay THE TIMES OF INDIA in English 18 Apr 81 p 14]

NEW PONDICHERRY ADMINISTRATOR--New Delhi, April 16--The President, Mr Sanjiva Reddi, has appointed the Tamil Nadu Governor, Mr Sadiq Ali, as the Administrator of Pondicherry in addition to his present duty with immediate effect, a Rashtrapati Bhavan communique said today. He will hold the charge till a new Lt. Governor is appointed to fill the vacancy caused by the death of Mr Ram Eshore Vyas today. The Pondicherry Chief Minister, Mr D. Ramachandran, in Madras this afternoon called on Mr Sadiq Ali, at Raj Bhavan. The Chief Secretary to the Union territory, Mr Jaya Krishnan was also present. [Text] [Madras THE HINDU in English 17 Apr 81 p 1]

UNIVERSITY VICE-CHANCELLOR RESIGNS--Patna, April 16--The Vice-Chancellor of the Patna University, Dr Ramavtar Shukla, said on Thursday that he had resigned. He however, declined to give the reason. [Text] [Madras THE HINDU in English 17 Apr 81 p 1]

ASSAM OIL FIND--New Delhi, April 14--Oil and gas have been discovered in an exploratory well in Bogapani, near Jorajan--a satellite field of the Nahorkatiya--Jorjan complex in Assam. Oil industry sources said on Tuesday that more wells had to be drilled to determine its commercial viability. [Text] [Madras THE HINDU in English 17 Apr 81 p 6]

1980-81 COFFEE CROP--Bangalore, April 16.--The coffee crop (blossom) estimates for the 1980-81 season have been put at a total of 1,30,500 tonnes. The break-up of the total coffee estimate is Arabica 67,700 tonnes and Robusta 62,800 tonnes. [Text] [Madras THE HINDU in English 17 Apr 81 p 9]

CPI COUNCIL MEMBER--Ahmednagar, April 16--A member of the national council of the Communist Party of India, Mr Eknath Bhagwat, today announced his resignation from the party in protest against the expulsion of Mr S. A. Dange from the CPI, reports PTI. [Text] [Calcutta THE STATESMAN in English 17 Apr 81 p 9]

DEMOCRATIC YOUTH CONFERENCE--The fifth State conference of the Democratic Youth Federation ended with the open session at the Shahid Minar Maidan, Calcutta on Wednesday. Mr Baren Bose the newly-elected secretary of the Federation, said that of the 16 resolutions passed at the conference, the one on by-elections was sent to the Prime Minister and the Chief Election Commissioner. Speakers including Mr Buddhadev Bhattacharya, Minister for Information and Cultural Affairs, Mr Ashoke Dasgupta, newly-elected President of the Federation and Mr Hannan Mollah, M. P. questioned the "disinterestedness" of the office of the Chief Commissioner after the announcement postponing the by-elections. Mr Jyoti Basu who was expected to speak, did not attend the meeting. Attendance at the meeting was not up to expectations because of bad weather and disturbances in train services. [Text] [Calcutta THE STATESMAN in English 17 Apr 81 p 16]

MUSLIM YOUTH CONFERENCE--New Delhi, April 14--Over 1,000 delegates and 50 observers will participate in a two-day All Muslim Youth Convention beginning here from June 13. The convention will chalk out a course of action to mitigate the problems of the community, Mr Jawed Habeeb [as published], convener of the convention told newsmen here today. The issue of reservation for Muslims would be taken up and, if necessary, "a powerful national movement will be launched." Mr Habeeb, a former student union leader of the Aligarh Muslim University, said the decision to hold the convention was taken at the All India Muslim Majlis-e-Mushawarat in 1979--PTI [Text] [Madras THE HINDU in English 15 Apr 81 p 7]

V. SHANKAR DIES--New Delhi, April 16 (PTI)--Mr V. Shankar, former private secretary to Sardar Patel, died here this evening, following a heart attack. He was 71. Mr Shankar was all right till 6 p.m. when he complained of giddiness. A doctor was summoned but he collapsed his family members said. Mr Shankar was also secretary to the former Prime Minister, Mr Moharrarji Desai. [Text] [Bombay THE TIMES OF INDIA in English 17 Apr 81 p 1]

HINDI CONSTITUTION--New Delhi, April 16 (UNI)--The government was urged in the Lok Sabha today to ensure the publication of an authenticated version of the constitution in Hindi. Making a special mention, Mr Ram Vilas Paswan (LD) regretted that an authenticated Hindi version of the constitution which might have the recognition of law courts had not yet been prepared. He also asked the government to prepare authenticated versions of the constitution in regional languages as well. [Text] [Bombay THE TIMES OF INDIA in English 17 Apr 81 p 13]

MEGHALAYA OPPOSITION LEADER--Shillong, April 14-- In a swift move on the political chessboard of Meghalaya, the leader of the opposition and chief of the all-party Hill Leaders' Conference (APHLC) legislature party, Mr P. R. Kyndiah, along with six of his supporters has broken away from the party and joined the group led by the chief minister, Mr B. B. Lyngdoh. The split in the APHLC has come in the wake of moves to bring about unity among the factions led by Mr Lyngdoh, and the former chief minister, Mr Darwin Pugh. The Kyndiah faction has broken away from the Pugh group because of Mr Pugh's opposition to the APHLC being a member of the ruling coalition of which the Congress(I) is an important partner. [Text] [Bombay THE TIMES OF INDIA in English 15 Apr 81 p 9]

LABOR LEADER DIES--Bombay, April 14--Mr N. S. Deshpande, a veteran trade union leader and a former general secretary of the Rashtriya Mill Mazdoor Sangh, died after a heart attack here yesterday. He is survived by his wife, two sons and a daughter. [Text] [Bombay THE TIMES OF INDIA in English 15 Apr 81 p 5]

CSO: 4220

FIFTY PERCENT REDUCTION IN FERTILITY RATE BY 1990

Kuala Lumpur BUSINESS TIMES in English 4 Apr 81 p 6

[Article by Sumona Mustoffa]

[Excerpts] WHEN President Suharto in January revealed the census results showing Indonesia's population stood at a little over 147 million people, the announcement was greeted with mixed feelings of cautious satisfaction and disbelief.

The figure means that the Indonesian population has grown by 22.2 million since the previous census in 1971. Furthermore, the relatively fast annual average rate of 2.3 per cent was higher than in the previous period (1961-71).

Sceptical remarks might be directed toward the effectiveness of the programme organised by BKKBN (Indonesia's Family Planning Coordinating Agency). A careful study of the facts will easily disprove such charges.

Dr Widjono Pitaeastro, who now heads the country's National Development Planning Agency and concurrently coordinates economic and financial policies, agrees that the present growth rate is high. "But," he adds, "without a family planning programme or, if the programme had failed, we might have had a growth rate as high as 3 per cent."

On the two islands of Java and Bali, where 62

per cent of the population lives, the fertility rate has, in fact, gone down. But so has the mortality rate, thanks to improving living conditions as a result of sustained developments in the last few years. Particularly remarkable has been the drop in the infant mortality rate, a sure indication of improved people's welfare. Java and Bali have been the areas where intensive family planning programmes have been carried out over the last eleven years.

The 1980 census returns have not ruffled the careful thinking of BKKBN nor changed the plan of halving the country's population fertility rate by 1990, now less than ten years away. Dr Haryono Suyono, the agency's deputy chairman in charge of family planning activities, is a "wizard" in mapping out BKKBN strategy and getting results. He said the census returns were "no surprise at all" in fact, as figures confirm BKKBN's earlier expectations.

"We know that conditions in the villages have improved," he said. The drastic drop in the mortality rate would be a real blessing for BKKBN's work, he claimed. "It is much easier to persuade people to lower their

birth rates under conditions of low mortality. So we feel much more confident at bringing down the fertility rate by 50 per cent, come 1990."

The early phases of the campaign saw a rise in people using contraceptive methods from 80,000 in 1969-70 to 1.5 million in 1974-75 in Java and Bali. But it left practically untouched the majority of some 14 million eligible couples and women of reproductive age in the 22,000 villages of the two islands. Without the participation of these peasants in the movement, BKKBN would never effectively curb the birth rate.

So Haryono Suyono and his people went to talk, coax and jest with all the various religious and ethnic groups. Seminars and workshops were held. Journalists, women's organisations and other bodies were politely but doggedly persuaded.

Instead of stirring up trouble, BKKBN gained maximum cooperation from the government hierarchy as well as traditional and religious leaders and their organisations. Even the armed services were given proper, separate attention. In due course,

BKKBN boards were established at all administrative levels from province down to villages.

Trained field workers now number 7,000 in all. They prod, inform, advise and guide newlyweds, mothers of all ages, and the village menfolk, through existing interlocking social mechanisms. They must convince them, not only on the merits of family planning, but also see to it that the various devices are readily available. Village assemblies are used not merely to disseminate information on family planning, but also to monitor continued acceptance and bring home the "values" of the small family.

The work is not going to be easy and will be full of challenges. But it is not impossible. Haryono Suyono, ever the optimist, readily maintains that the 1990 objective will be realised. "Even now, the latest data have shown that in Java and Bali the targets set for 1990 are almost accomplished."

The attention will gradually shift to the outer islands, still relatively untouched by the BKKBN campaign. The ambitious 1990 target does seem to be in range.

RETURN OF MISSING CHILD, IMRAN

Jakarta *TEMPO* in Indonesian 18 Apr 81 pp 12-14

[Article: "The Return of the Missing Child"]

[Text] The story about Imran unfolds like a film series. According to his father, this second eldest of his children, who was previously named Armon, changed his name to Imran after returning from Saudi Arabia.

Muhamad Zein Sutan Sinaro, 63 years old, strongly denied that his eldest son Armon, also known as Imran, was a rebellious child. "He was the most obedient to me, so how could he be called rebellious," he asked Amran Nasution of *TEMPO* on Monday afternoon [13 April] at his home in the Medan district of Kotamatsmur. However, he admitted that Armon (not "Amron") was often naughty and liked to fight.

As a cloth merchant in the Medan central market up to 1976, Zein hoped that all of his children would become businessmen, including Armon, who was born in 1950 in Aspek Angkek, in the Regency of Agam Bukittinggi. Zein has 11 children, of whom the eldest, a daughter, is dead. Armon, the second eldest, became the eldest child, while Wendy (not "Wendy") is the third eldest.

Zein believes in firmness in raising children. In principle Zein, according to his wife, Darmanis, "is better at teaching hens to lay eggs than at teaching children who don't want to pray." Zein admits that he believes in spanking children. For example, he spanked Armon when he caught him red-handed, gambling.

Armon, who graduated from Priyatna senior high school in Medan in 1967, reportedly was popular with his friends. He was good at public speaking. He once studied religion under T A Latief Rousydi, a well-known Muhammadiyah leader in North Sumatra. The period of the course was 1 year, but, according to Zein, Armon was able to complete it in 10 months. It was Rousydi who advised that Armon study abroad and "gave him a recommendation so that Armon could study under Mohamad Natsir in Jakarta."

Armon's exiles: he was willing to argue with his teachers and was stubborn. According to Latief, when questioned, Armon often was led to express his desire to change the defects of society in a radical way. After disappearing from view, reportedly in 1971, Latief received a letter from Armon, who was then in Saudi Arabia.

It appears that there was a reason for Armon to disappear. The incident occurred in about 1970. According to his father, Armon was involved in a fight and stabbed the person he was fighting. As a result he was arrested and held at Teladan police station in Medan. He was lucky. The father and children of his opponent were close friends of Zein. The complaint against Armon was dropped. That evening Armon was released from police detention.

In the trishaw on the way home, Zein said to his son, "I can't take it any more. Either you or your father has to leave Medan." According to Zein, Armon immediately answered, "I will go, father."

On the following day Armon indeed left home for Jakarta via Pekanbaru. At first his father did not want to give him any money. However, when the bus was about to leave, Zein gave him Rp 10,000. At first Armon refused to accept it, saying that he had plenty of money, given him by his friends. However, his father urged him to take the money. "As proof that you have a father, take this money," said Zein. Armon finally took it. "There were tears in his eyes," Zein said.

Provided with Rouaydi's recommendation, according to Zein, Armon was able to study religion under Mohamad Natsir. In 1971 Armon left for Mecca without any money in his pocket. How did he go? Zein himself does not know.

However, when he met with Suranono from TEMPO last Monday afternoon [13 April], Mohamad Natsir denied this story. "He never studied religion with me. I have never met him or seen him. I only heard that he was from Medan, and it is said that he once studied in Saudi Arabia," said the chairman of the Executive Council of the Islamiah of Indonesia.

Letter From Mecca

How did Armon go to Saudi Arabia? In his interview with TEMPO last year Armon, alias Inran, admitted that he went there as a stowaway. "I went on the ship BELLE ABETO without a ticket and having only Rp 200," he said.

It was in 1971 also that Zein received a letter from Mecca. The sender was, "the child rejected by his parents." It was only at the end of the seven page letter that it was clear that the sender was Armon. After that, letters came regularly; indeed, on four occasions Armon sent money, each time about Rp 300,000.

In his letters Armon said that he was working in a pharmacy in Jiddah and stated that he knew a number of high-ranking people in Saudi Arabia, including Prince Abdullah, commander of the National Security Forces. It has not been possible to check this statement, but, however it may be, Armon was able to live in Saudi Arabia for 7 years.

A friend of the Zein family, Amir Sutan Paduko, met Armon in Saudi Arabia when he made the pilgrimage to Mecca in 1975. Reportedly, Armon often helped pilgrims coming from Medan. According to Amir, Armon admitted having failed the entrance examination for the University of Medinah. Therefore he was only attending lectures at the university. In his interview some time ago he indeed admitted that he was not studying in any systematic way.

It was also in Mecca that Amir learned that Armon had changed his name to Imran. "I don't have any regrets now. It's not like it was before," Amir quotes Imran as having told him.

Duel

Imran returned to the house of his parents in Medan in 1977. Zein was very proud of his son, who had become an educated man. "I didn't doubt that he would turn out this way. As an Islamic father, why shouldn't I have been proud," he asked.

At the end of 1977 Imran married a girl from Mandailing, of the Nasution clan. They had a child who was named Sahid. When Imran moved to Jakarta, his wife followed him. However, according to Zein, she was not Imran's only wife. When he was in Saudi Arabia, according to one of his letters, Imran married a young woman there. After he moved to Jakarta, Imran also reportedly married a young woman from Jakarta.

Zein, who is thin of figure and about 1.5 meters tall, does not know much about what Imran did at the Istiqamah Mosque. He also was not concerned that Armon changed his name to Imran. "What's wrong with changing your name," he asked.

Wendy, his third eldest child, according to Zein was different from his elder brother. He was respectful and didn't like to fight. When he graduated from junior high school, he helped his father sell cloth in the market. After the central market in Medan burned in 1977, Wendy left for Jakarta. He got a job selling ready to wear clothing in the Lampung area.

Regarding the involvement of Wendy in the hijack of the Garuda aircraft, Zein says, "Up to now there has been no statement by the government." Zein does not work now. For their daily needs his wife opened a cake shop at an elementary school. The front yard of their home has been rented to a sewing shop.

According to Zein, Imran and Wendy are members of the Muhammadiyah. Indeed, before moving to Jakarta Wendy was chairman of the Kotamatsaram Association of Muhammadiyah Youth. Previously, Imran had changed his sympathies to various political parties. He had at various times supported the NU, PSII, and later the PNI. Finally, he said he had become a member of PAMUSI. According to his father, his young son "very much hated Golkar."

In November, 1980, Haji Amir Sutan Paduko visited his son, then in Bandung. During nearly 2 months in that city he repeatedly heard Imran's name when he went to pray at Istiqamah Mosque. From Dr Syamsudin Manaf, director of this mosque, he learned that Imran had become a religious teacher (Imam) and had a number of faithful followers.

Amir also had occasion to read an article by Dr Syamsudin in the bulletin KUL-LIVATUL MUJAHIDIN, which was published by the Istiqamah Mosque Development Body, in its issue of September, 1980, with the long headline, "Is It Possible for a Leader Beloved of Allah to Emerge from a Child Not Beloved of His Parents?" The article reportedly stated that it was not possible for a child who rebelled against his parents to become a leader.

Although Imran's name did not appear in the article, Haji Amir guessed that the object of the article was Imran, who was usually called, "Imam Im." For that reason Haji Amir believes that the stabbing attack on Dr Syamsudin was because of the article.

Knew His Man

Syamsudin, 35 years old, also told TIMPO reporter Hasan Syukur, "Perhaps because I knew Imran so well, I was the target of a knife attack." He considers that "Imam Imran's" group is not truly Islamic—although it is often referred to as an extremist Islamic group.

His first meeting with Imran took place at the end of 1978. Imran came to the home of the doctor who had graduated from Airlangga University and without any greeting directly accused him: "Are you the man named Dr Syamsudin who allowed Brother Imad to be arrested?" The Imad mentioned was Dr Imaduddin Abdurrahim, leader of the Salman Mosque Foundation of the Bandung Institute of Technology, who at the time was being held by the Special Branch.

At that time Syamsudin asked Azhar, a son of Lt Col Cut Usman, a retired ABRI officer, a young man involved in an attack on Cicendo police station in Bandung, who had brought Imran, "Who is this?" Azhar answered, "This is Brother Im, an acquaintance of mine from the time I was in Saudi Arabia." Imran demanded that Syamsudin try to free Imaduddin by sending a delegation or issuing a statement.

The atmosphere became tense because Syamsudin thought that "we must know more about this matter." From later conversations with Imran, Syamsuddin considers that he "is not a Muslim in outlook."

The second meeting Syamsudin had with Imran took place at the time of Ramadan in 1980. Imran appeared at Istiqamah Mosque and, Syamsudin said, immediately challenged him to a duel. Syamsudin rejected the challenge. "This is the month of Ramadan. People may not give free rein to their passions, or, even worse, fight," he said.

According to Syamsudin, Imran replied that the period of fasting only lasted until sunset. The fight did not take place because they were separated by members of the Istiqamah community. Later on there were two attempts to kill Syamsudin. The first took place on 9 January 1981 at the time of evening prayers. The perpetrator was Amzu Rizal, a follower of Imran's who, according to Syamsudin, has been driven from home by his parents because he regarded them as "infidels." Amzu succeeded in escaping, and Syamsudin got off with a minor wound.

The second attempt occurred on 20 February 1981 also at Istiqamah Mosque at the time of Friday prayers at the time the faithful were bowed in homage. This time Syamsudin was seriously wounded. The assassin, Ahadiat Sadikin, was arrested on that occasion. In his interrogation Ahadiat admitted that the assassination attempt had been carried out on the orders of "Imam Imran."

5170

CSO: 8127/1014

WAITING IN KOTAMATSUM FOR OFFICIAL RELEASE OF HIJACKERS' IDENTITIES

Jakarta TEMPO in Indonesian 18 Apr 81 p 12

[Article: "Waiting in Kotamatsum"]

[Text] Since the hijacking incident the district of Kotamatsum has been visited by many people. The government has not yet made public the identity of the hijackers. Data regarding Zulfikar, a former security agent at the Hotel Hilton in Jakarta, is still confused.

As soon as the chief of BAKIN, Gen Yoga Supomo, had concluded his statement on the hijacking of the Garuda aircraft "Woyla," by means of a special report on Indonesian TV on Thursday evening (16 April), the crowd of young men in the Medan district of Kotamatsum, who had been watching the program, broke up. Although for other viewers in Indonesia the program was an interesting one, the people of Kotamatsum were disappointed. Their reason: Gen Yoga had not identified the hijackers.

The desire of the Kotamatsum young men to know the identities was not without reason. Three of the hijackers, Zulfikar, Abu Sofyan, and Wendy, were from Kotamatsum. Indeed, the elder brother of Wendy, Armon--recently known as Imran--was alleged to be the leader of the group involved in the hijacking. After the hijacking incident Kotamatsum I and II, two districts of Medan, were visited by numerous security officials and reporters. Their objects were certain houses in the area.

"I am very confused. Yes, intelligence agents and reporters come to this house every day," sighed Zaiyar, 44 years old, to TEMPO last week. The eyes of the woman with a sharp nose and clean, white skin were red and filled with tears. Her husband, Dahlan, at the end of last March was killed in a traffic accident in Jakarta. And her younger brother, Abu Sofyan, was alleged to have been one of the hijackers of the Garuda aircraft.

The same thing happened to the family of Muhamad Zein. "I felt dizzy and confused," said Mrs Darmanis, 55 years old, the wife of Muhamad Zein, who are said to be the parents of Imran and Wendy. According to her, no less than 20 "uninvited guests" visit the house every day, asking questions about two of her 11 children: Wendy and Imran.

John Arfi, elder brother of Zulfikar, feels calmer, though his house has been visited by many people. Right after he gave his statement at Police Headquarters in Medan on 6 April he immediately returned to his job in Aceh. Nuryatun, his wife, remained at home, busily receiving visitors. "Zulfikar was a good child. He left home in 1973. After that I don't know anything more," she said to all visitors.

Confusing Reports

Beside their not knowing anything about it, a feeling of doubt also slipped out. "Is it really true that our son Wendy was a hijacker? Up to now there has been no information from the government," said Mrs Darmanis. Zaiyar also felt the same concern.

The authorities in Medan, up to the present, of course have not said much. "A statement is up to KOPKAMTIB, not us," said Lt Col Mardian Idris, spokesman of the Special Branch for North Sumatra.

Inevitably, it seems, in a short time there were confusing reports. For example, regarding the background of Zulfikar. The daily newspaper ANGKATAN BERSENJATA (AB) in Medan on 4 April said, quoting a source in the North Sumatra Special Branch, that Zulfikar was involved in the grenade incident at the Apollo Bar and the Methodist Church in Medan in 1976. According to an official statement, this terrorist incident was carried out by members of the organization, Komando Jihad.

Together with a number of other people, including Timzar Zubil, who was later sentenced to death by the Medan State Court, Zulfikar was arrested. It is generally known that he was later recognized as one of the hijackers of the Garuda aircraft "Woyla." "Why he succeeded in escaping or was released, AB had not yet been able to learn from the competent authorities. In a later AB report it will be stated why Zulfikar was able to escape from detention by the competent authorities in this area," AB reported on 4 April.

Certainly, on that day AB was very much in demand. However, unfortunately, AB in Medan did not have the occasion to carry the story of Zulfikar's escape, as promised. The Special Branch Community Relations office in North Sumatra, on 7 April 1981 issued a press statement denying that Zulfikar had escaped from detention. "Still less is he listed in the files of the Komando Jihad affair. The person named Zulfikar who was detained never had any connection with the Komando Jihad," Lt Col Mardian Idris said. He regretted the publication of the report in AB.

While awaiting an official statement on the hijacking, which reportedly will be issued by the commander of KOPKAMTIB, Adm Sudomo, in the near future, TEMPO has attempted to put together the social backgrounds of the hijackers, particularly Imran, who is alleged to have been the leader of the group (see article: "The Return of the Missing Child.")

COMMUNITY REFUTES ACCUSATION OF POLITICAL INVOLVEMENT

Jakarta TEMPO in Indonesian 18 Apr 81 pp 49-50

[Article: "A Village Named Muhajirun"]

[Text] This kampong has been accused of being a center for the DI, the Komando Jihad, and other such organizations. However, what is clear is that the people living there are trying to put in practice living in accordance with pure Islamic teachings.

The kampong is indeed a center for the Hizbullah Muslim Community. Perhaps because of that the residents of Kampong Muhajirun at times are slandered. At first they were accused of being followers of the Darul Islam (DI) remnants. After that, there were those who called the kampong a nest of the Komando Jihad. Recently, there have also been people who say that the residents follow the Jama'ah current of Islam.

However, during the 1977 general elections this Islamic kampong in the village of Negararatu, district of Natar, Regency of Lampung Selatan, was accused of being a base for the "clandestine PKI" [PKI Malam].

Nevertheless, later on it was proved that all this was indeed slanderous. "This is because for a long time this community has not been active in politics, still less in acts of force," says Saifuddin, leader of the Hizbullah Muslim Community, who has the title of Wali Imam. This community, he added, "wants to live by following the example of Rasulullah Muhamad."

The kampong is located 4.5 kilometers from Natar, capital of Natar district, a few kilometers south of Tanjungkarang, capital of Lampung province. Muhajirun is the 10th largest kampong in Negararatu district.

People Who Move

The kampong can only be reached on a dirt road with stone foundations which goes through the middle of a rubber forest. The homes of the people, which are lined up along the sides of 100 meters of the road, almost all have bamboo walls and atap roofs, and most have dirt floors.

Of all of the buildings in the kampong there are only two made of masonry. These are the mosque, which stands in the middle of the kampong, and a small house belonging to the kampong chief, Ustaz Ahmad Jazuli. "In fact, I inherited it from my parents," says Jazuli.

Not far from the mosque there are two rather large houses with walls which are half of masonry and half of woven bamboo. Apart from the mosque, meetings of the people take place in these buildings, in one of which Wali Imam Ustaz lives.

"All of this is still very simple. The people are members of the dhu'afa (weak) group. In fact, this kampong has not been here very long," says Damiri, a teacher in the community. The kampong was established in September, 1975. At first the land the kampong is built on was part of the rubber plantation belonging to NV Praya Dipa. Later, a number of followers of the Hizbullah Muslim Community bought 83 hectares of the plantation land.

It was on that land that they established the kampong. Now its population consists of 65 family heads--about 350 people. All of them are Muslims.

Previously, the community had its center at Pringkumpul, Pringsewu district, about 50 kilometers from the present location of Muhajirun kampong. Up to the present there are still many members of the community who live in Pringsewu. Once a month they come to Muhajirun to hear the sermons.

The community itself was originally established in 1953 by the late Wali Alfatah, a Masjumi party leader. It was at a Masjumi conference that year in Palembang that a difference of opinion emerged as to whether Islam should engage in politics or not. Wali Alfatah belonged to the group that was against becoming involved in politics.

He then established the Hizbullah Muslim Community. The name "Muhajirun" (it means people who move, like the transmigrants) was taken from the name of the group of friends of the Prophet Muhammad who made the journey [hijrah] from Mecca to Medina. This name may have been used also because Lampung is the principal transmigration area. The followers of the community, apart from people from Lampung itself, are in no small part Javanese and Sundanese who live there.

In their manner of life they really try to live in accordance with the teachings of Islam. Every person calls the others Ikhwan. When they meet, they exchange the greeting, "assalamu'alaikum," accompanied by a broad smile. And Lampung is indeed a secure area.

"Islam involves the teaching of religion, not politics. Moreover, it has no territorial limits," says Imam Saifuddin, who has a beard and a neat mustache. "The Prophet himself was not a chief of state but the representative of Allah to the whole world."

The Hizbullah Muslim Community also once sought historical documents to prove that the Prophet Muhammad once established an Islamic state. "However, we did not find the documents, because it appears that they never existed," says Saifuddin. That is why he is convinced that Islam cannot be mixed with politics.

Firm Intent

Saifuddin, 40 years old, is the representative of the imam for the Lampung area. It is said that there are also representatives of the imam for Jakarta and Central Java. Meanwhile, the imam for the whole community, after Wali Alfatah died and up to the present, is Haji Muhyiddin Hamidi, who lives in the Tanjung Priok area of Jakarta.

The imam is the highest leader of the community (he is called the rois am) and indeed is regarded as the community leader for the whole world. Under him there are representatives of the imam. At a lower level the representatives are called niabab and, still lower, riasab. The lowest level of the community is led by a rois. The rois for Muhajirun kampong is Ustadz A. Jazuli.

All residents of Muhajirun are obliged to engage in community prayers at the mosque. This includes the men, the women, and even the children. The religious services are carried on in orderly fashion: for the men it is after the dawn prayer (subuh); for the women on Friday it is before the afternoon prayer (asar). Once a month a large service is held attended by all of the followers from all areas of Lampung.

This community knows that there is an imam and that a firm intent (bai'at) is necessary. "The existence of a clearly-identified imam is mentioned in the Koran in the An-Nisa surah, paragraph 59. But he is not a political figure but is rather exclusively a religious figure," says Saifuddin. It is the same with firm intent, he says, and there are also provisions for that.

Residents who are regarded as having violated the teachings of Islam can be expelled by means of having no one in the community willing to speak to them. Generally, in time such people leave Muhajirun. "The question is that we are not prepared to be responsible for the sins of such people before Allah later on," says a resident. Up to the present there have been seven people who have left the kampong.

As farmers, the majority of the residents of Muhajirun kampong own their own land. They raise vegetables and fruit. In the yard of almost every home there is a healthy-looking clove tree. The produce of the kampong is rather abundant and even fills the Natar market to overflowing.

However, apart from the Diniyah preparatory school (madrasah) there is not even a village school in the kampong--and indeed no contact on this matter has been made with the five-year plan. The income of the residents is subject to proper taxes, such as the zakat (tithe), the sodaqoh (a form of compulsory alms-giving), and the infak (fund for adequate support of the poor). Perhaps that is also why they are willing to plan construction of a brick, roof tile, and tapioca flour factory.

The tapioca flour factory apparently is considered necessary because, as Ustadz Damiri says, "production of cassava is substantial; at harvest time the prices drop."

They also often invite farmers from outside the kampong, who are successful in farming, to speak of their experiences. For example, they invite model farmers from the transmigration area in Lampung.

RELIGIOUS TRAINING ADVOCATED FOR PREVENTION OF EXTREMIST GROUPS

Jakarta TEMPO in Indonesian 18 Apr 81 p 15

[Article: "'If There Is an Extremist Group'"]

[Text] Next week, according to present plans, the minister of religion and the commander of KOPKAMTIB will meet with religious teachers and Islamic leaders to clear up the matter of the hijacking of the Garuda DC-9 aircraft "Woyla," which was carried out by a small group of extremist Islamic youth. Following is the text of a statement by Minister of Religion Alamsyah Ratu Perwiranegara, made to Surasno, a reporter for TEMPO:

Extremist attitudes exist in all religions, not only in Islam. The causes vary. For example, they may result from a limited knowledge of religion. A half understanding and a mistaken interpretation of religion can also bring out an extremist attitude.

Circumstances outside religion, like social, political, and economic conditions --indeed, individual frustrations--without exception may make a follower of the religion into an extremist.

The hijackers of the DC-9, as far as I know from reading the press, seem to be people who have become extremists out of a sense of frustration. Some of them have been fired from their jobs, and there are some who have had disputes with their families. There is also Warman. They say he is a former DI leader who is misusing development for his own purposes.

It cannot be that, because the majority of the Indonesian people follow the Islamic religion, whenever there is a bad or good development, Islam should always be involved. However, the Islamic community should not feel it is accused or placed in a tight corner whenever there is an extremist group which declares that it is carrying the Islamic flag and undertaking terrorist actions. Such a development should not be a means of fishing in cloudy water to damage Islam.

The proof of that is that it is only those carrying out such acts and their extremist followers who have been arrested by the government. There have never been any doubts about Islam. And any further development cannot always be connected to Islam, moreover.

Action in advance to prevent the emergence of extremist groups, among other things, can be taken through religious training. Religious training at the mosque or school should only deal with religion and not with the practice of politics. For political activity there is a separate place.

Regarding the Komando Jihad, I can understand what is going on in the Islamic community. The DI in the past was a clear-cut matter, and its leader was Kartosuwirjo. Now, who is in the Komando Jihad? Essentially, what the Komando Jihad may be is not clear to me. For that reason the voices in parliament which demand that the Komando Jihad question be discussed and resolved appropriately are right. By knowing about the Komando Jihad we will later be able to take part in wiping it out.

Acts of terror clearly are not in accordance with the teachings of any religion. A Muslim who acts in such a way--let him later answer for his acts to Allah. However, Islam itself is responsible for cleansing itself of extremist elements which still exist within it.

Regarding the aspiration to establish an Islamic state? Don't ask about that! Haven't we already agreed and decided to maintain the Pancasila state, which can take care of all of our aspirations. Opening old sores like that is the same as poking a sleeping tiger.

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CSO: 8127/1014

CLARIFICATION OF OFFICIAL POSITION ON EXTREMIST GROUPS NECESSARY

Jakarta TEMPO in Indonesian 18 Apr 81 pp 14-16

[Article: "They Want Clarification"]

[Text] The term "Komando Jihad" is considered to be less than pleasant for the ears of Muslims. However, in fact Ali Said has already clarified the matter on one occasion.

The hijacking of the Garuda DC-9, named "Woyla," apparently has still other aspects. The statement of the commander of KOPKAMTIB, Adm Sudomo, that the hijackers were a group which wanted to force through their desire to establish an Islamic state in Indonesia, has brought forth many comments.

In his press statement 2 days after the hijacking, the commander of KOPKAMTIB invited the community to remain vigilant against the danger which may come from "an extremist group on the wrong track which misuses the teachings and name of Islam, such as, for example, the Komando Jihad and the Warman Movement."

Adm Sudomo continued, "The government wants it understood that those who say that the Komando Jihad and other extremist groups of that kind don't exist and are only an invention of the government, in fact are unwittingly failing to protect the nobility of the teachings of Islam against actions which misuse the Islamic religion."

It is this last sentence which apparently is regarded as going too far. Those offended include some leaders who, up to now, have often commented on the Komando Jihad.

For example, there is the member of parliament from the Unity for Development fraction, Jusuf Hasjim. According to him, for the past 10 years he has asked the government to take firm action to resolve what is called the "Komando Jihad." The government was also called on by him to clarify this question in a public way so that the community might be vigilant and not be influenced by their activities.

The use of force in the name of religion, according to Jusuf Hasjim, whatever the circumstances, will only be accepted by the majority of the Islamic community of Indonesia with difficulty.

He considers that those who in fact are involved in the Komando Jihad should be tried in court, and he spoke to this point forcefully. "But those who have simply been followers, who really don't know what the Komando Jihad is, and against whom there isn't sufficient evidence to bring them before a court, should simply be released," he said to TEMPO last Monday [13 April].

Jusuf did not exclude the possibility that there might be a few people who still dream of establishing an Islamic state. However, he considers that this situation cannot be used as an indication that the Islamic community in Indonesia still wants to establish an Islamic state. "How can the views of a fraction of the community provide evidence that the Islamic community wants to establish an Islamic state," he asks.

The "issue" of the Islamic State of Indonesia apparently continues to haunt many officials. "How can we fail to remain vigilant. Weren't there previously people who, in a constitutional as well as unconstitutional way wanted to establish an Islamic state of Indonesia and aren't they still roaming around," asked a high-ranking official.

There Is Cooperation

The same view is also expressed by many other high-ranking officials. Indeed, some of them have stated recently that there is an increase in activity of extremist groups which have the same objectives. "Clearly, there is cooperation and mutual understanding between the group of hijackers of the Garuda aircraft, the Warman group, the Komando Jihad, and other extremist groups," said a high-ranking officer.

As evidence he pointed to the demand by the hijackers that the government free prisoners involved in the Komando Jihad in East Java, West Java, South Sumatra, and North Sumatra. "If there were not well-prepared cooperation, they would advance that demand," he said. [Sic; the last portion of the previous sentence should have had a negative in it to make sense. It would then have read, "they would not have advanced that demand."]

Just when the term "Komando Jihad" was born is not yet clear. However, an overall government statement on the Komando Jihad was provided by Attorney General Ali Said to the Third Committee of parliament in 1977.

The term, "Komando Jihad," according to Ali Said, is really a name given to a variety of extremist groups, and its members are led by former leaders of the DI/TII. The movement, which began in 1970, has the long-term goal of establishing an Islamic state based on the Koran and in the short term it has the purpose of creating disturbances, robberies, kidnappings and, if necessary, murders in the framework of achieving its long-term goal.

The Komando Jihad [KOMJI] operates in Java and Sumatra under different names. For example, it is the Fisabilillah Komando Jihad Underground Movement in Jakarta, Jihad Fillah and Jihad Fisabilillah in West Java, Jihad Troops in North Sumatra, and Sabilillah Column in East Java. During the investigation by the attorney general, said Ali Said in 1977, there was no evidence found of an overall, underground organization operating under a single command.

Some facts were also obtained from the trial of leaders involved in the Komando Jihad. "Komando Jihad is a name which was given to us, and not a name which we sought or made up ourselves," said Timzar Zubil in 1978 to the State Court in Medan, which sentenced him to death. During his trial Timzar admitted having blown up some places which he considered evil, such as bars and movie theaters, as well as a Catholic and Methodist church in Medan. Timzar's name was included in the list of prisoners which the hijackers of the Garuda aircraft demanded be freed.

Quickly, Brother

Not all government officials use the term, "Komando Jihad." Gen Widjojo Sujono, for example, when he was still commander of Defense Area II in mid-1979, said that he would only use the term, "the Warman Terror Case," and would no longer use the term, "Komando Jihad."

"The term Komando Jihad indeed does not sound good to the ears of Muslims," said Saifuddin Zuhri, a member of parliament from the Unity in Development fraction. The former minister of religion does not believe that the Komando Jihad question is merely a government political device. He only asks, "Quickly, brother, explain it. Let us know that the Komando Jihad is."

The view that the Komando Jihad is only an "invention of the government" may also have originated with the lecture given by Haji Ismail Pranoto (Hispran) in Surabaya in 1978. Hispran admitted that in 1976 he had formed a "Self Defense Community" [Jamaah Bela Diri] made up of Muslims in East and Central Java. Their reason: facing the latent Communist danger as described by BAKIN.

In a lecture Hispran admitted that the leader of the "movement to watch out for the Communist danger" [Gerakan Pengawasan Bahaya Komunis] was Danu Muhammad Hassan, a former DI/TII leader who, according to him, was really a "government man" who "received a salary and had an automobile." Hispran's statement may have been intended to discredit the government. However, a careful investigation of this matter has not yet been made public.

It is possible that this is because there are many Islamic leaders who believe that some government officials have used the Komando Jihad to "ferret out" Islamic extremist leaders. On hearing this an official in the security area of the government replied sharply: "That is not true at all."

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CSO: 8127/1014

INDONESIA

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

POLICE BRIG GEN DR WARSITO—The chief of Police Area VI in south Sumatra, Police Brig Gen Dr Warsito (49 years old), on Wednesday [4 March] was killed in a helicopter accident, together with three middle-ranking Army officers and three crew members of the helicopter. The accident occurred at about 0845 WIB [Western Indonesian Time] in the vicinity of Campang Wei Anda village (Pagelaran district, Lampung Selatan), when his "Alouette III" helicopter, belonging to the Army Aviation detachment, serial number RA 7044, crashed on a flight between Tanjungkarang and Manna (capital of the Regency of Bengkulu Selatan). The other passengers who died in the accident were: Chief of Staff for Civil Function Affairs of Defense Area I (Sumatra and West Kalimantan) Col Wiyono; Assistant for Reserve Affairs of Defense Area I Col Azis Siregar; Assistant for Reserve Affairs of Military Region IV/Sriwijaya Col Bambang Djatmiko; Lt (Air Force) Samsul Bahri; Lt (Air Force) Rudy Harun; and acting 1st Lt [Peltu] Martusin (the latter three the crew members). [Text] [Jakarta KOMPAS in Indonesian 5 Mar 81 p 1]

AIR MARSHAL SOETOPO—The remains of Air Marshal (Wartime) Soetopo (56 years old) on Wednesday [4 March] were buried at Kalibata Heroes Cemetery. Minister of Communications Roemlin Nurjadin acted as master of ceremonies on the occasion of the state honors accorded the late Air Marshal. The deceased died on Tuesday [3 March] afternoon at Pertamina Central Hospital. Until he died the deceased was general inspector for construction of presidentially-designated provincial development assistance projects. He was born in Wonogiri on 5 August 1924. He began his career in the Air Force in 1946 as a student at the Air Technical School in Madiun. He graduated as a pilot in 1947 with the rank of Air Second Lieutenant 31. In 1951 he underwent training at a flying school in the United States. The deceased was promoted to Air Marshal in 1971. While in the Air Force the deceased held a variety of posts, including commander of Squadron I at Abdulrachman Saleh Air Base in Malang; commander of Air Regional Command I; president and director of the board of PN Aerial Surveys; commanding general of the Air Force Logistics Command; caretaker director of LAPIP [Air Industries Development Center]; commander of Air Region V; member of parliament; minister of communications; and commanding general of AKABRI, as well as Indonesian ambassador to Pakistan. The deceased retired from the Air Force in 1979. [Text] [Jakarta KOMPAS in Indonesian 5 Mar 81 p 9]

DR RAJDER DJOHAN--Prof Dr Rajder Djohan, a leader of the struggle for independence and a well-known educational figure, former minister of education and culture in the Natsir and Wilopo cabinets, on Sunday (8 March) died at age 79 at his home at Jalan Kimia 9. Some time before this, last December, he was treated at the hospital, returning there several times before he was released last Thursday (5 March) to return home. (Text) (Jakarta KOMPAS in Indonesian 9 Mar 81 p 1)

POLICE MAJ GEN HARTAWAN--The chairman of the East Java Provincial Council, Blegoh Soemarto, sees the transfer of Maj Gen Hartawan from the post of chief of Police Area X/East Java as a normal matter, particularly because he had heard of it four months ago. Meanwhile, Dr Pamoedji, a Surabaya lawyer who is acting as defense attorney in the Jenggawah and Jember lands case, considers the transfer of the police chief as a positive step if taken in the framework of cleaning up the police. "However, there should not be the view that everything that happens involving security and community order is only the responsibility of the police. That is all a joint responsibility, both for the formal as well as community leaders," Pamoedji said, answering questions from a KOMPAS reporter in Surabaya last Monday (9 March).

The minister of defense and security and commander of the armed forces, Gen M Jusuf, stated to reporters in Baucau [East Timor] on Sunday (8 March) that the leaders of the ministry had decided to remove Maj Gen Hartawan from his post as chief of Police Area X/East Java. Gen Jusuf was not prepared to give the reasons for this removal. Answering a reporter's question he only said that the officer involved was about to retire and for that reason was temporarily being assigned to Police Headquarters in Jakarta. He did not state whether his replacement was because of a number of sensational affairs which have recently occurred in East Java, such as the murder in Jember and the question of torture (?) (sic; the notation (?) appears after the word torture in the text) by the police in Madura.

According to the minister of defense, replacing Maj Gen Hartawan as chief of Police Area X will be Police Brig Gen Pamoedji, who is presently chief of Police Area XV in Bali, Nusantara, and East Timor. The transfer of the officer of chief of Police Area XV will take place on 14 March, and subsequently the office of chief of Police Area X/East Java will be transferred on 17 March.

Replacing Pamoedji as chief of Police Area XV will be Police Brig Gen Soedarmadi, who is presently chief of the Irian Jaya Police Area. Replacing Soedarmadi will be Police Brig Gen Jusuf, who is now commander of the Police Mobile Brigade. Meanwhile, to fill the vacancy in the post of chief of Police Area VI/south Sumatra, as a result of the death of the late Maj Gen Warsito in a helicopter accident last week, according to Gen Jusuf, Police Brig Gen Herman Effendi has been selected. Brig Gen Effendi is currently chief of the Police Area for North and Southeast Sulawesi. His position there will be filled by Police Brig Gen Jansen Salaen, who is currently chief of staff of the Metropolitan Jakarta Police Area.

Fatherly Principle

According to Blegoh Soemarto, Maj Gen Hartawan has made his leadership felt from several points of view. His leadership reflects the application of the "fatherly" principle (kebapakan). He was moderate and responsive in his attitude to advice

training in the United States. The commander of the armed forces at the time, Gen Ahmad Yani, called him back to become attorney general. After retiring from the armed forces, he was active in private business affairs, as well as church matters. It is planned that he will be buried on Friday [13 March] in Kalibata cemetery, after prayers are said for the deceased at St. Ignatius church on Jalan Malang. He leaves a wife and five children. Governor Tjokropranolo came to the home to express his sympathies, and Minister of Justice Dr Ali Said and his wife sent flowers. [Text] [Jakarta KOMPAS in Indonesian 13 Mar 81 p 12]

NINE MEMBERS OF PARLIAMENT, EIGHT MEMBERS OF CONSULTATIVE ASSEMBLY INSTALLED--At a simple ceremony yesterday [2 March] at the Parliament Building, deputy chairman of Parliament (DPR) and of the People's Consultative Assembly (MPR), installed in office and administered the oath to nine members jointly functioning as members of the DPR and MPR and eight new members of the MPR, who replace their comrades who have been "drawn back" to other functions or have died. Those appointed as members of the MPR are, respectively, Gen Poniman, replacing Gen (Wartime) Widodo; Pol Gen Awaluddin Djamin, replacing Pol Gen Widodo Budidarmo; Brig Gen R Entjung, replacing Brig Gen Daryono; Maj Gen Yogi Suardi Mamet, replacing Maj Gen A Rival Marshap; Brig Gen Rudini, replacing Brig Gen Edi Sudargo; and Brig Gen Soegiarto, replacing Brig Gen Kusnadi Tirtoatmodjo. The new members who will jointly serve in the DPR and MPR are: Col Ibrahim Saleh, replacing Col Saiful Sulun; Col Ignatius Hardoyo, replacing Col H. J. Sanggor; Lt Col Suhardi, replacing Lt Col Dja S Dinata; Lt Col Idrus, replacing Maj Mrs Tuti Artika Saleh; Lt Col Hadi Sutrisno, replacing Maj F. A. Suwarno; Abdullah Puteh, replacing Nyak Adam Kamil; Imam Hadjono, replacing Mrs Ema Sumanegara; Sulaiman Amin, replacing Tambuh Sendawati; Chairul Muhammad Muas, replacing Mrs Hilma Arma; and Kyai Haji Abdurrahman Ambo Dalle, replacing Kyai Haji Abubakar Atjeh. [Text] [Jakarta HARIAN UMUM AB in Indonesian 3 Mar 81 p 1]

DR. DR. ASHAF ABDULLAH--The post of chief of the Navy Finance Office (KAJANKUAL) on Monday [2 March] was turned over from the former incumbent, Commodore R Soekiswo, to his replacement, Navy Col (A) Dr Ashaf Abdullah. The exchange of command took place at Martadinata Hall at Navy Headquarters in Jakarta, attended by staff officers and all personnel of the Navy Finance Office. The transfer of office took place in connection with the appointment of Commodore Soekiswo as senior officer assigned as the chief of staff while awaiting a further assignment. Meanwhile, Col Abdullah had previously been principal inspector for materiel in the Navy Inspectorate General. [Excerpt] [Jakarta HARIAN UMUM AB in Indonesian 3 Mar 81 p 6]

DR. TEGUH SANTOSO--At the conference room of the Inspectorate General of Navy Headquarters on Monday [2 March] there was a transfer of command in the office of the principal inspector for materiel, from the former chief of the office, Navy Col (A) Dr Ashaf Abdullah, to his replacement, Navy Col (A) Teguh Santoso, who was previously chief of the Finance Office at the Indonesian Navy base in Surabaya. The ceremony was attended by Inspector General Rear Adm Ruly Hardjodipuro, Principal Inspector General Rear Adm Hartono Djojowijoto, regional inspectors from the Materiel Inspectorate, and other staff officers of the Inspectorate General. [Excerpt] [Jakarta HARIAN UMUM AB in Indonesian 3 Mar 81 p 6]

from the Provincial Assembly. "For that reason I am convinced that the transfer of Maj Gen Hartawan has no connection with the security cases which have arisen recently in East Java, for example, the Jember case," Blegoh Soemarto said. He added that since assuming the post of chief of Police Area X/East Java Hartawan has appeared to have a strong interest in raising the reputation of the police in the community. This was proved by several steps which he took in the field of public order and transfers which he carried out in the police ranks in East Java, he said.

Meanwhile, the lawyer, Dr Pamoedji, regards Maj Gen Hartawan as a person who gave strong support to the maintenance of the law. For example, when Dr Pamoedji was defending the people of Jenggawah in the land case there, it was easy to contact Hartawan for purposes of consultation. "We had a joint interest in maintaining the law," said Pamoedji.

At the same time Soedarmo, member of Committee A in the Provincial Assembly for Bali, regards Brig Gen Pamoedji, who will replace Maj Gen Hartawan, as a person who stands out in security questions. Soedarmo pointed to his handling of the disturbance at Kuta, Bali, which took place in April, 1979, two months after Pamoedji had become chief of Police Area XV. Pamoedji was also considered to have acted firmly in his action in discharging two policemen in the Sector Command at Tembaka, in the Regency of Bangli. The two policemen were performing illegal actions with regard to a female high school student, who was accused of stealing money. The young woman had her hands tied and was tortured with a burning cigarette by the two policemen. Regarding the money which was allegedly stolen by the young woman, it was later found.

Before becoming chief of Police Area XV/Bali, Sumatenggara, and East Timor, Brig Gen Pamoedji was previously chief of staff of Police Area X/East Java. For that reason, East Java is not too new to him.

Gen Jusuf also told reporters that Air Marshal Soekardi, who is currently deputy commander of Defense Area II, has been appointed by the ministry to be commander of the National Strategic Command, replacing Lt Gen Himawan Soetanto, who has been appointed commander of Defense Area III, replacing Lt Gen Leo Lupulisa. The installation of Soekardi in office will take place in April, after the ABRI Joint Exercises of 1981, which this time will all take place in Defense Areas II, III, and IV and will involve several of the newest weapons available in ABRI. In the subsequent exercise in East Timor "Red Troops" will indeed take part as the enemy force. [Text] [Jakarta KOMPAS in Indonesian 10 Mar 81 pp 1, 12]

BRIG GEN A. M. SOETHARDHIO--The former Indonesian attorney general, Brig Gen (wartime) A. M. Soethardhio, on Thursday [12 March] died at his home on Jalan Krawang, Jakarta. His family states that on Wednesday [11 March] the deceased (who was born in Surakarta on 15 March 1925) complained of feeling tired after returning home from Paroki. On Thursday morning, because she was worried, his wife, Mrs. A. M. Sumartinah, called the doctor, but a few hours later he breathed his last. During his life he was active in the Military Police. He served in the post of Attorney General from 1963 to 1965, in the cabinet of 100 ministers. From 1965 to 1966 he was deputy commander of the Army Staff and Command School in Bandung. Following that, he was under arrest for 2 and one-half years. In 1971 the government rehabilitated him. Before becoming attorney general the deceased had undergone

COL BERNANDAR--On Saturday (28 February) the post of deputy assistant chief of staff of the Navy for planning and budget affairs (WAASRENA KASAL) was transferred from the incumbent, Navy Col (T) Kusnandar, to the assistant chief of staff of the Navy for planning and budget affairs, Rear Adm. F. M. Parapat. Later, Col Kusnandar will serve as deputy commanding general of the Navy Training Command in Surabaya. [Excerpt] [Jakarta HARIAN UMUM AB in Indonesian 5 Mar 81 p 6]

COL MOCHAMAD ROESLI--The post of deputy for operations in the office of the commanding general of AKABRI has been transferred from Air Marshal Soejitno to Col (Artillery) Mochamad Roesli at a ceremony at headquarters of AKABRI on Saturday [7 March]. The ceremony was presided over by the commanding general of AKABRI, Maj Gen Henuhili, with AKABRI staff attending. Col Mochamad Roesli previously was a department chief in the ABRI joint staff and command school in Bandung. [Excerpt] [Jakarta HARIAN UMUM AB 9 Mar 81 p 2]

BRIG GEN MOERDIONO--The new secretary of the cabinet, Moerdiono, 45 years old, is from Malang, East Java, as is Ismail Saleh, whom he replaces in that position. The two of them have worked together for a long time under Minister of State and State Secretary Soedharmono, who also once held the post of secretary of the cabinet. Soedharmono stated that the departure of Ismail Saleh represented the "loss of a strong figure." However, his appointment as attorney general is regarded as an honor for the state secretariat, because an official of that office has been entrusted with so high a position. Regarding Moerdiono, Soedharmono said, "he is no stranger to us. As I know his capacity, his sharp vision and his working experience and ability to cooperate throughout the period of the New Order--and even before that--I am convinced that he will perform his duties very well, as well as the secretary of the cabinet whom he replaced," he added. The appointment of Brig Gen Moerdiono as secretary of the cabinet has been long expected. His new position is a promotion from his previous post as assistant minister and secretary of state for special affairs, which he will continue to hold. The secretary of the cabinet has the task of supporting the activity of the president as the head of government and is a key position which is very important. In the organization of the secretariat of state he is first in rank, alongside the secretary for the control of development operations, the military secretariat, the presidential household, and the staff of the secretariat of state. Meanwhile, the assistant minister and secretary of state for special affairs also has very important duties, although they are more "internal" in character. Among other things they include: assembling materials, following and formulating the results of cabinet sessions or other meetings presided over and attended by the president. Apart from that he also prepares material for speeches by the president. Because of that, in his previous position Moerdiono practically always attended almost all important meetings, including, for example, meetings to prepare the ABRI statement for the general session of the DPR for 1978. Moerdiono is known as a diligent official, able to work late into the night, fond of reading and capable of exchanging views for hours on end. Although friendly with the press, he does not like publicity and is more comfortable "standing in the background." [Text] [Jakarta TEMPO in Indonesian 7 Mar 81 p 14]

12/13/53

INCREASE IN LOCAL POLITICAL ACTIVITY, TRAVEL RESTRICTIONS

Kuala Lumpur BUSINESS TIMES in English 3 Apr 81 p 6

[Article by Bernard Estrade in Phnom Penh]

[Text]

THE pro-Vietnamese Heng Samrin government, more than two years after assuming power here, has gone beyond the stage of simple survival and is reconstructing the economy and normalising political life.

At the same time, despite the presence of an estimated 130,000 to 200,000 Vietnamese troops in the country, the general security situation both here and in the provinces is tending to deteriorate.

Travel restrictions on foreigners — whether journalists or representatives of international companies — have increased since January, with authorities blaming "lack of security," "dangerous roads" and "bandits."

And despite improved agricultural output, Kampuchea is not expected to be self-sufficient in food for another two or three years. This year it will fall short by 250,000 tons of rice, an official said.

Kampuchea's survival, following a catastrophic situation inherited from four years of Khmer Rouge power, is attributed largely to in-

ternational aid which reached US\$400 million last year — the largest such sum since World War II.

In 1979 the country produced only 400,000 tons of rice, according to official figures. A year later the figure had soared to 750,000 tons. This year's goal is 850,000.

But official statistics estimate that Kampuchea, an exporter of rice before it became embroiled in war, needs a million tons to feed its people.

As a result, officials here are extremely concerned about the impending cut in international aid. "If we can't guarantee a minimum, all we have done since 1979 will have served for nothing," an aid programme official commented.

At the political level the Heng Samrin government, which came to power in January 1979 after a successful offensive by Vietnamese troops, announced a draft constitution on March 12 confirming its socialist character.

The text also confirmed the regime's close ties to Vietnam and Laos, and its alignment with

the Soviet bloc.

Members of a national assembly are to be elected probably in April, well-informed sources said, and their first task will be to adopt the constitution.

Regional elections have already been held earlier this month, as the authorities proceed stage by stage, with voters choosing from a list of candidates drawn up after consultations with people's organisations.

From surveys taken at several polling stations, it was ascertained that a great majority of the candidates were leaders or activists of these people's organisations, who are already responsible for handling affairs at local level.

Meanwhile a "political education" campaign is underway, officials said, with an increasing number of meetings at places of work on the proposed constitution, elections, and international issues such as Central America.

Loudspeaker systems have been installed in the capital and all the other cities; correspondents were able to visit, and revolutionary songs, slogans and political speeches are broadcast

at dawn and dusk.

At the same time the freedom of movement allowed citizens during the regime's first months in power has been somewhat restricted, Kampuchean sources questioned said.

Authorisation to travel is now granted by an applicant's local community leader — or in the case of civil servants by an appropriate government ministry — and only after a written request.

Although the discreet Vietnamese presence appears to have been generally accepted, because it conjures up the spectre of a Khmer Rouge return, some Kampucheans expressed concern at the new order of things.

According to converging reliable sources, some people were paying agents US\$300 to be smuggled out of the country and into Thai refugee camps. The trip usually takes 48 to 72 hours.

It was not known how many refugees were fleeing the country — but the numbers did not compare with those of Kampucheans returning to the country, which had reached 320,000 by the start of the year, according to a UN official. — AFP

CHANGE IN ATTITUDE OF LABOR PARTY MEMBER ANALYZED

Selangor KIN KWOK DAILY NEWS in Chinese 17 Mar 81 p 5

[Article by a contributor]

[Text] For the past few decades, Loke Ban Hin, a former city councillor representing the Socialist Front, has impressed the public as a crack leftist cadre, a true representative of the workers. Even the Chinese community in Penang spoke highly of him.

Loke Ban Hin was highly regarded as a courageous, vigorous and self-respecting politician. The fact that he received little formal education and that he earned his living as a newspaper distributor did not diminish the public respect for him, but rather deepened the impression.

During the heyday of the Labor Party, those who heard him speak at public gatherings were invariably amused by his lowbrow and humorous words, particularly when he attacked the ruling coalition alliance and fiercely singled out the Malaysian Chinese Association (MCA).

During the 1974 general elections, Labor Party stalwart Chooy Yew Chye campaigned for the Bongkaran Kota state assembly seat. At that time, holding mass meetings was not forbidden. Loke Ban Hin was one of Chooy Yew Chye's staunch supporters, shooting arrows left and right from the podium attacking parties of the National Front, especially the MCA and the Democratic Action Party (DAP). Among the targets was Lim Siew of the MCA, against whom Loke breathed fire unceasingly. In fact, Loke was already deeply hated by the MCA rank and file.

If someone were bold enough to ask Loke Ban Hin whether he would help the MCA in carrying out political propaganda or cast a vote in favor of this party, the questioner would take a terrible beating in return.

Of course, that was the situation several years back, when Loke Ban Hin was young and temperamental, when he tended to hit anyone who disagreed with him, especially if the latter tried to argue for the MCA's contributions to the Chinese community.

It is really worth cheering and rejoicing that a man can leave such a deep impression. Thanks to his hostility against the MCA, it is likely that Loke Ban Hin's name will long be remembered by the general public.

During the climax of the byelection for the Bongkaran Kota state assembly seat, the federal committee chairman of the MCA in Penang, Lim Kian Siew, was reported to be a candidate for the National Front. The public was incredulous about this report, as they believed that this constituency had been the strong bailiwick of the Labor Party. Although this leftwing political organization had been disbanded, it still possessed latent strength. Lim Kian Siew was previously a stalwart of the Labor Party, but he subsequently joined the MCA, and for this move he was regarded a turncoat and much hated by Labor Party members.

It was surprising that Lim Kian Siew would dare to represent the National Front and campaign for the Bongkaran Kota state assembly seat. After hearing this news, several Labor Party members swore to carry out revenge.

When Lim Kian Siew's nomination for the candidacy was confirmed, many people, particularly the Labor Party members, could not believe it. However, there were other people who admired Lim's courage.

Although he was criticized as a traitor by the Labor Party, yet Lim Kian Siew dared to return to a Labor Party stronghold to be judged by the electorate. This was something no ordinary politician could do, proof that Lim Kian Siew was not a political leader in vain.

It was perhaps this courage of Lim Kian Siew that brought about a change in Loke Ban Hin's attitude toward the erstwhile-hated MCA. Not only his attitude, but Loke's political stand and basic thinking underwent a drastic change. He is moving toward becoming a "born again" proponent of the Labor Party, disowning every word he uttered in the past.

But would Lok Ban Hin allow Lim Kian Siew to blatantly carry out his electioneering in the Bongkaran Kota area, where Lok previously had mercilessly attacked the MCA? Surely Lok would denounce Lim without mercy.

No! No! No! A million times no. Loke Ban Hin is no longer his old self. Now he does not criticize the MCA or Lim Kian Siew. Not only that, he even praises Lim, recommends him and does propaganda work for the MCA.

All this is not daydreaming or a stone rolling uphill or a cured fish turned alive, but a real fact.

The reaction of many people has changed from astonishment to praise. First they praised Lim Kian Siew's courage, then they admired Lok Ban Hin's courage. If every member of the Labor Party had similar courage, the MCA would surely become powerful and matchless.

It is a well-known saying that in politics there are no permanent enemies or friends. A shift in political standpoint, as was the case with Lok Ban Hin, is not an easy thing to accomplish. It is indeed not easy for a man to maintain a political stand for several decades and then suddenly change it overnight and stand alongside a previous political foe and call him brother and at the same time attack his old comrades.

The transformation of Loke Ban Hin has brought unbounded honor to Lim Kian Siew. They are now together in the same boat, sharing the same trials and tribulations and

enjoying the same fortunes. To Loke Ban Hin, it was his greatest fortune in three incarnations, that is, to make friends with a worthy person. I wish I were him.

Chooy Yew Chye, now deceased, would surely be happy, because it was after his death that Loke Ban Hin became a good friend and supporter of Lim Kian Siew.

Some people believe that Loke Ban Hin's changed attitude from opposing to supporting the MCA is not a question of the existence or lack of principle. That is not the main thing. Only one sentence explains the whole thing:

"Money is almighty!"

9300

CSO: 4205/11

CABINET COMMITTEE RECOMMENDS CHANGES IN DEVELOPMENT PLANNING

Kuala Lumpur BUSINESS TIMES in English 25 Mar 81 p 1

[Text]

IN PREPARATION for the launching of the Fourth Malaysia Plan (FMP), the government yesterday outlined radical changes in methods of development planning, implementation and evaluation, manpower recruitment and the procurement of construction materials.

Fundamental to these changes are the simplification of development procedures, a more effective delegation of power and decentralisation of the decision-making process.

The 91-point recommendations were made by the Cabinet committee on plan implementation chaired by Finance Minister, Tengku Razaleigh Hamzah. The recommendations have been adopted by the Cabinet.

Addressing senior civil servants attending a meeting on speedier implementation of development projects, the senior Cabinet member laid bare the weaknesses of government machinery at all levels as observed by the committee.

Tengku Razaleigh characterised these weaknesses and problems into two broad categories namely the shortfalls in the efficiency of government machinery and the impact of this on its ability to implement development projects.

Weaknesses in these two areas, according to Tengku Razaleigh, were attributable to shortages of trained manpower, the shortage of construction materials, cumbersome financial procedures, slowness in acquiring land for development and excessive centralisation

of the decision-making process.

The Cabinet in setting up the committee in February last year had recorded its concern over the shortfalls in the implementation of the Third Malaysia Plan.

The Finance Minister said to ensure better implementation of development projects under the FMP, steps were being taken to create procedures that would enable cost overrun of not more than \$1 million or 20 per cent of the original estimate, whichever is less, to be met without the need to refer to federal agencies.

In the past, the failure to implement projects according to their priority had affected their overall benefits to the people. The State Operations Councils would now be required to determine the priority rating of both state and federal projects for harmonious implementation.

To streamline and control the implementation of projects, in particular those of the federal government, a federal project coordination committee and a federal project tender committee would be set up in the states under the chairmanship of the state development officer.

The tender committee would be given the power to make awards of not more than \$5 million, and authorise variations from time to time without having to refer to the federal agencies. The implementation of regional development projects.

Ministries and agencies had also been in-

structed to institute work flow charts and streamline procedures to ensure speedier implementation of projects.

To avoid delays in the implementation of development projects in the regional development areas, the regional development authorities would be asked to take over the implementation of these projects.

Tender boards in the ministries, departments and agencies would be allowed to award contracts costing below \$5 million. Realising that the Public Works Department was heavily burdened, individual departments would be empowered to carry out projects costing less than \$250,000.

For purpose of better project planning, implementation and control, the various development agencies had been instructed to institute an effective information and feedback system.

The Finance Minister said that the government's development programmes had been greatly hampered by the shortage of construction materials and skilled manpower.

He noted that the supply of construction and building materials was insufficient, and this situation was expected to continue in the first three years of the FMP when demand would increase significantly.

Tengku Razaleigh squarely blamed the shortage of these materials on the absence of an effective system in either the public or private sector to estimate the demand for them accurately.

On the manpower aspect of development, the Finance Minister said the committee noted that the administrative machinery of the government was weak due to poor allocation of duties.

This was further compounded by the extremely unsatisfactory manner in which tools and equipment and office premises were being utilised.

The process of manpower recruitment would be simplified and decentralised. The Public Services Commission would be required to allow the Public Service's Department and heads of department to hire certain categories of workers.

At the same time, Public Services Department would be allowed to absorb, without interview, government scholarship holders into the government service.

The department, with the cooperation of various agencies, would be required to carry out manpower surveys from time to time to determine accurately the manpower needs of the country.

Land acquisition procedures, especially when it involved alienated land, would be simplified. Compensation money paid to owners of such land would be exempted from property gains tax.

An independent valuation tribunal would be set up to make rulings on appeals concerning land acquisition in the shortest possible period.

CIVIC LEADER STANDS UP FOR USE OF CHINESE LANGUAGE

Selangor KIN KWOK DAILY NEWS in Chinese 23 Mar 81 p 5

[Text] Datuk Lee Kim Sye, chairman of the federal committee of the Selangor Malaysian Association (MCA), today told Chinese citizens to clearly understand that using the Chinese language is a basic legal right of every ethnic Chinese citizen of Malaysia and that any attempt to interfere, willfully or for an ulterior motive, with this legal right is an anticonstitutional act which must be thoroughly rebutted or exposed.

Datuk Lee made this remark today at the opening ceremony of a political symposium organized by the Pasing Bay MCA branch held at the Hansa Public Hall under the subject, "The Challenge of the Chinese Nationals in the Eighties."

Early this month, an incident happened in Pasing city when the local authorities forbade the use of Chinese characters on the ceremonial arch financed and erected by the Chinese community to celebrate the 55th birthday of the sultan.

Datuk Lee pointed out that Article 152 of our constitution stipulates:

Paragraph 1: "Malay is the national language, and its letters shall be regulated by law passed by Parliament, but the Parliament may not forbid or hinder any person using (official usage excluded), teaching or learning other languages."

Paragraph 6: "Official usage refers to usage by the government, including federal and state authorities, as well as other government agencies."

Malay is our national language. As citizens, it is our duty to learn it. But our constitution also provides the free use of other languages, and we absolutely will not permit anybody to try to forbid the Chinese people to use the Chinese language. Nor can we tolerate a prejudicial government official attempting, by an executive order, to hinder the use of the Chinese language.

We are aware that even today there are still prejudicial elements in government circles trying to make it difficult for the Chinese to use their own language.

It may be deduced that the use of Chinese is a basic, legal, inalienable right of every Malaysian citizen, and anybody who willfully or unintentionally tries to interfere with this legal right is acting against the constitution, and we must fully denounce and expose this attempt.

The law bestows rights upon government officials, but officials are at the same time subject to provisions of the law, and they must carry out their functions accordingly. The people must abide by the law, and the officials should set examples by their own action. If they are aware of the law and yet do not abide by it, then they are violating the law and they must face sanctions.

Moreover, the financing and erection of the ceremonial arch for the 3-day celebrations of the sultan's birthday was a private, civilian affair, so the nonofficial use of Chinese characters was and is, according to the constitution, legal, lawful and reasonable. We cannot help asking: by what regulation or law did the government official concerned order the prohibition of the use of Chinese characters on the ceremonial arch? Every person has the right to ask this question.

Last year, an incident involving the Jawi language took place in Terengganu state. Thanks to the response of the Terengganu MCA and its youth league, as well as the local Chinese community, the issue was brought to the attention of the minister of justice and was subsequently resolved to the satisfaction of all concerned.

These two incidents show us that in a society where politics reigns supreme, no issue can be resolved without a strong political backing. This is an undeniable fact.

If, in today's Chinese society, some people still think that the Chinese people do not need unity and let the Chinese political power disintegrate, the circumstances of our society will further worsen in the foreseeable future. Everybody knows about the story of the king and the three arrows and will agree that the three arrows bound together would provide greater power against breakage. This is a simple story, but its moral is deep, and it serves as a good lesson for the Chinese people throughout Malaysia. The Malaysian Chinese Youth League reacted promptly and effectively when the Terengganu immigration authorities arbitrarily ruled that all passport applicants must first pass the [Malay] national language test. The move by the youth league brought a good result, and everybody was aware of this.

If we adopt a passive or indifferent attitude when something happens, we are bound to be confronted with similar incidents as time passes, and this situation will bring endless trouble and disaster to the Chinese people.

From the social and political viewpoints, the spirit of our constitution, which was approved by the three major nationalities, must be thoroughly implemented for the sake of our country's future. The government's language policy must be fairly carried out in spirit and in letter, and we cannot deviate from the original understanding and spirit merely because we want to please a tiny group of people.

The legal right to defend the Chinese mother tongue is a matter of course, and it is also our duty to defend this right. However, as we are also citizens of Malaysia, it is also our obligation to abide by the constitutional agreement reached by the three major nationalities before the independence, and we must learn the national language [Malay] assiduously.

It is possible that in the past many Chinese people had a prejudice against the Malay language and refused to learn it. This has directly affected the attitude of our descendants toward learning the language.

At any rate, except in Chinese and Indian primary schools, the national language has become the teaching medium from primary schools all the way to the universities. Today Malay is as important as English was in the past, especially for those holding an official position. Therefore, if we do not have a working mastery of the Malay language, we will find ourselves on the losing side.

The Chinese are a practical and realistic people. In order to adapt ourselves to the environment, not only must we learn the national language, but we must also set examples by our own actions and encourage the next generation to pay attention to and study the language diligently. Of course, we cannot sacrifice the right to learn, teach and use our mother tongue, and we cannot overemphasize our mother tongue and ignore the importance of the national language.

9300

CSO: 4205/11

DEFENSE PURCHASES QUESTIONED IN HOUSE OF REPRESENTATIVES

Kuala Lumpur NEW STRAITS TIMES in English 7 Apr 81 p 1

[Text]

KUALA LUMPUR, Mon. — Purchases of all defence equipment in the country are above board as it is subject to "check and balance", Deputy Defence Minister Datuk Abu Hassan Omar said today.

Two Ministries would decide on any purchase totalling more than \$5 million, he said in the Dewan Rakyat when replying to points raised during the debate on the Fourth Malaysia Plan.

The Defence Ministry would decide on the technical specification of the weapons to be bought while the Finance Ministry would have the final say on the financial arrangements and tenders.

This double-level decision system provided the check and balance and would prevent any arbitrary and high-handed purchase being made, said the Deputy Minister.

'Scandalous'

He also said that defence purchases were conducted according to Government stipulated policies and regulations and the Ministry never contravened them.

The policies and regulations were constantly reviewed to ensure that all purchases were made objectively.

During the debate, Opposition leader Lim Kiat Siang had alleged that the purchase of weapons by the Ministry had been done in a "scandalous way."

Referring to the proposed purchase of fire support vehicles and armoured personnel carriers, Datuk Abu Hassan said the valuation committee concerned with the matter, had just concluded their visit to all the foreign manufacturers who had submitted their tenders.

No decision had been taken yet as the committee was presently compiling its report, he added.

He denied Mr Lim's allegation that any particular manufacturer was being favoured in the purchase of the two types of vehicles.

As for the proposed purchase of tanks for the armoured battalion, Datuk Abu Hassan said tanks were a new technology to be introduced in view of the expansion of the Armed Forces and the new security situ-

ation in the region.

He said the Armed Forces and Ministry officials who had been placed in charge were well qualified and had much experience in such matters.

"I have full faith and place full trust in their capabilities," he said.

"They will not simply choose any tank because they will have the safety of the users, including themselves, in mind."

"This is a matter of life and death for the user."

Datuk Abu Hassan said he was also shocked that the Opposition leader had obtained information on the types of howitzer guns the Ministry proposed to buy, saying that this was supposed to be a secret.

He said Mr Lim should change his attitude towards revealing the nation's defence matters for the good of the country, and also to avoid giving confusing information.

He added that the Government was studying the possibility of expanding the arms industry in the country.

ELITE COMMUNIST UNIT REPORTEDLY CRIPPLED

Kuala Lumpur NEW STRAITS TIMES in English 2 Apr 81 p 32

(Text)

KUALA LIPIS, Wed. — An elite communist terrorist unit, the Ninth Armed Work Force, has been crippled following the surrender of four of its members and the capture of another two.

Driven into deep jungle, several other members have become very ill after being forced to live on wild fruits and other jungle produce, Home Affairs Minister Tan Sri Ghazali Shafie said today.

Speaking at the second anniversary celebrations of **K a m p u n g Keselamatan Sama Jerkoh** at Bentu near here, he said the Ninth Armed Work Force of the Fifth Assault Unit had always been touted by the Communist Party of Malaya's **Radio Suara Revolusi** as the best of the terrorist units.

Its operational area in Perak covered Tanah Hitam, Tanjung Rambutan, Gopeng, Cameron Highlands and Bidar.

Tan Sri Ghazali said that following his directive to the security forces last July to put full pressure on the unit "by all manner of operations," a terrorist surrendered on Jan. 17 at Simpang Pulai station, about two miles out of Ipoh.

Three others gave up on Feb. 26 at Tanjung Rambutan police station and follow-up operations resulted in the capture

three days later of two terrorists in the Keramat Pulai area.

They disclosed, among other things, that the Ninth Armed Work Force was having much difficulty in getting food supplies and that morale among its members was very low.

Underground

This was due to intense security forces harassment, the arrest of their supporters in underground organisations, and refusal of members of the public in helping them to get food and other supplies.

Tan Sri Ghazali said these setbacks forced the unit to retreat to deeper jungle in the hope of surviving on support from the Orang Asli, but this too did not materialise.

"This forced the communist terrorists to live on wild fruits and other jungle produce causing a number of the terrorists to become very ill," he added.

He has directed that operations against the unit be sustained with the same intensity, and he was confident that he would soon be able to announce the total collapse of the unit. — Bernama

ASSUMPTIONS OF OIL PLANNERS SEEM CONTRADICTORY

Kuala Lumpur BUSINESS TIMES in English 3 Apr 81 p 1

[Article by Ho Sook Han]

[Text]

MALAYSIAN planners are assuming that the price of a barrel of oil exported by the country will rise by 110 per cent over the next five years — from the present level of US\$37 (about \$81) to US\$77 (about \$170).

They also make the assumption that the volume of oil that Malaysia exports will rise by three per cent a year, or by about 16 per cent over the five years of the Fourth Plan.

On this basis, they project the total income from oil exports to reach the level of \$17.86 billion in 1985 or about 28 per cent of total exports.

Taken together with exports of liquefied natural gas expected to start in 1983, the total income from hydrocarbon exports will be \$20.446 billion in 1985 or 33 per cent of total exports.

At this level, the earnings from hydrocarbons match the combined revenue from rubber, tin, palm oil, sawlogs and sawn timber which have hitherto been the pillars of the economy.

These assumptions raise however two questions. Following forecasts by Petronas and

others that Malaysia may become a net oil importer by 1987, the government has made a firm commitment that the country's extremely limited oil reserves need to be stretched out by reducing the annual output. The national depletion policy adopted in line with this conservationist stance limits production in any year to a ceiling of 1.75 per cent of "oil-in-place".

The Treasury Report issued last October cautiously assumed some small increments to reserves when it said that the country would be able to maintain production more or less at the 1980 level throughout the Fourth Plan period. In fact, output was cut back by three per cent in 1980 compared with the 1979 level. The Treasury Report forecast a further drop of five per cent in 1981.

But contrary to this trend set by the national depletion policy, the plan document predicts a steady increase in exports. This implies that either the government has revised the depletion policy drastically or that the planners are taking

credit for large new finds which will add substantially to the amount of "oil-in-place".

The plan assumptions seem to run counter to the government's entire approach to an important national issue, and similarly, the calculations of revenue based on a 16 per cent annual increase in the price of oil run contrary to the World Bank's careful forecast of a price of US\$60.20 in 1985 (in current dollars).

In fact, more and more oil experts are coming round to the view that the price of oil is already high enough to accelerate substitution.

The Fourth Plan's assumptions of a very large increase in the price of oil and a steady rise in the volume of oil exports come in handy however in balancing the plan's foreign exchange budget.

The plan projects a current account deficit of only \$149 million for the 1981-85 period which is about 0.06 per cent of the total export earnings for the five-year period, of about \$25.740 billion. But without the large contributions from oil the gap would have obviously been much larger.

MISUNDERSTANDING BETWEEN CHINESE, INDIAN GROUPS REPORTED

Selangor KIN KWOK DAILY NEWS in Chinese 22 Mar 81 p 9

[Text] The Sri Jaya, Beran branch of the Malaysian Chinese Association (MCA) was displeased over a report in a certain Malay newspaper implicitly alleging that due to Chinese instigations, seven illegal houses with Indian tenants located on the predominantly-Chinese Gessan Road were dismantled by the authorities last month.

The newspaper report was apparently based on information supplied by certain Indian nationals in the locality, which the MCA regarded as an unfriendly act.

On the evening of 18 March, the local branch of the MCA held an emergency meeting at its headquarters and invited representatives of the Malaysian Indian Congress (MIC) to have a dialogue in a joint effort to resolve the misunderstanding between the two racial groups. Subha Mahliam, chairman of the MIC's Sri Jaya branch, and some 10 other officers, were invited to the meeting. The MCA side was represented by its branch chairman Chiam Gee Yong, deputy chairman and concurrently village chief Ong Cheek Cho, secretary Lee Peng Jin, treasurer Leong Wee Seng and several other officers.

Other figures invited to attend the confrontation were Lock Chui Bok, chairman of the MCA's Beran district branch; Chen Kian Onn, its secretary; Amin, Beran, village chief; and some Chinese and Malay newspaper reporters.

Chairman Chiam Gee Yong welcomed the MIC representatives in his opening speech and stressed that the purpose of the dialogue was two-fold: 1) To strengthen the mutual understanding and contacts; and 2) To wipe out all suspicion and misunderstanding through this dialogue.

Secretary Lee Peng Jin, addressing the chairman of the MIC's Sri Jaya branch, said the latter should not claim ignorance about such an important incident as the circumstances surrounding the pulling down of seven Indian illegal houses. He denied the press report purporting that the authorities were not concerned over the issue of illegal housing. On the contrary, he continued, all MCA representatives sitting in government departments and agencies concerned have always been sympathetic toward the plight of wooden-hut dwellers and giving them aid; they even pleaded with senior government officials not to tear down wooden huts for humanitarian reasons.

Asked about the incident, Subha Mahliam, chairman of the MIC's Sri Jaya branch, denied having given a newspaper reporter any information unfavorable to a friendly political

party. He asked MIC members present at the meeting whether they had given a press interview, and all of them answered in the negative.

Mahliam said he would instruct the MIC's local committee to submit a report on the incident to the party's state committee.

The meeting was closed after both party representatives completed a sincere dialogue and reached a mutual understanding to erase divergent opinions.

9300

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ETHNIC CHINESE URGED TO DEVELOP NATIONAL CONSCIOUSNESS

Selangor KIN KWOK DAILY NEWS in Chinese 17 Mar 81 p 5

[Article by a contributor]

[Text] On several past occasions I have asked many young people--I mean educated, ethnic Chinese citizens--the following question: "If this country, Malaysia, were involved in war, what would you do?"

"Of course, I'd flee the country fast. What a question!", was the almost unanimous response from male and female youngsters.

What I meant by Malaysia being involved in war was if the country were attacked by an enemy, say the Vietnamese.

When I posed that question, I was hoping that I would get a reply such as the following: "Well, we'd unite and launch a counterattack until the enemy was wiped out or driven from our soil."

Perhaps the response to my question, addressed to youngsters only, did not represent the attitude of all ethnic Chinese citizens. But sometimes the minority opinion does represent a part of the entire public opinion, and as such it cannot be dismissed; on the contrary, we should give it careful consideration.

Why is it that a number (if not the majority) of ethnic Chinese youths believe they should run away in the event of a war breaking out in this country, instead of joining together to launch a counterattack against the enemy?

Some people believe this attitude is due to their lack of national consciousness or concern over the rise and fall of a nation. They are only interested in individual liberalism.

Why do some (or many) Chinese youths lack national consciousness? The reasons are legion and complex, but the most important one is lack of a sense of belonging to a country. In their way of thinking, the rise and fall of a nation is not important, because this nation pays no attention to their individual existence. Therefore, they feel they have only a weak and aloof relationship with their country, as if they were not part of its people.

Of course, an ethnic Chinese citizen is a citizen of Malaysia, because he (or she) was born in Malaysia and his way of life is basically Malaysian; if he were ordered to go to China to resettle, it is certain that he would find it difficult to live there.

Since they are Malaysian citizens, why don't they have a sense of belonging to Malaysia?

We cannot deny that ever since independence, the government's efforts to maintain interracial harmony have been praiseworthy, and its line of political moderation has safeguarded the security of all nationalities and even the entire nation to the point of achieving economic prosperity today.

However, we cannot deny, either, that the government's efforts to cultivate national consciousness among the nationalities leave much to be desired. The authorities have been playing up the "bumiputras versus the nonbumiputras" slogan, and racial overtones in economic, business and industrial matters, giving an impression of favoritism at the expense of certain nationalities and individuals.

This has indirectly created the horrible thought of racialism among the people, who allege that the authorities are racist and unfair in treating the various nationalities, thereby causing greater dissatisfaction.

We cannot disregard the dissatisfaction prevailing in the Chinese community, who feel that they are not being treated fairly by the authorities, whether in politics, economy, culture and education, religious or military matters. Living in such conditions, ethnic Chinese youths feel restive and restless. If they are not regarded as citizens, how can they develop a sense of belonging?

On the other hand, Chinese youths should change their own mental attitudes. To understand why they are being disregarded, neglected and despised, they should ask themselves why they allow themselves to be looked down upon and why they cannot retaliate?

It is because we are weak and powerless. The main reason why the other side is much stronger is because we have disintegrated and we cannot unite the hearts of the 5 million Chinese into one. Without solidarity among us, we are killing one another politically and engaged in an unhealthy competition economically. We are also at odds with one another in educational matters and religious beliefs. We take pride in factionalism and selfishness.

If the Chinese society is in such disarray, how can its members bargain with others in order to protect their interests. We have no "card" to play, and our future seems doomed.

Ethnic Chinese youths must quickly realize that lacking a sense of belonging serves no good purpose, and escaping from the realities of life is not the way to solve problems. The only workable way is for us to unite, reinforce our spirit of struggle and compete with others in order to coexist on the basis of fairness and justice. Otherwise, it would not be surprising if we were to sink further to become third-rate citizens.

NATIONAL SCIENCE DEVELOPMENT BOARD UNDER ATTACK

Kuala Lumpur BUSINESS TIMES in English 15 Apr 81 p 19

[Article by Paul Icamina in Manila]

[Excerpts]

THE Philippine scientific community is in a turmoil.

In a letter to President Marcos, 48 respected Filipino scientists are calling for an immediate change in the administration and policies of the National Science Development Board.

"It might be," says a physics professor, "the first case in the world where almost the whole science community is questioning the administration and policies of a country's highest policy-making body in science and technology."

For instance, both the commissioner of the Philippine Atomic Energy Commission (PAEC), Dr Zollo Bartolome, and PAEC physicist Lito Natera say that the NSDB, created in 1958, should be abolished. Others have called for the dismissal of the NSDB chairman, Science and Technology Minister Melecio Magno, and an audit of NSDB finances.

Dr Roger Posadas, the country's lone expert on Einstein's general relativity theory and president of the National Physics Society, says the NSDB is responsible for the "backward and stagnant state of science and technology in the Philippines," discouraging basic scientific research to the point of starving it of financial support.

He believes that it

would take at least 15 years of sustained government funding for the country to catch up with the scientific standards of some of its Asian neighbours, like Malaysia and Singapore.

Dr Posadas says that notwithstanding the widely adopted recommendation of the United Nations Educational, Scientific and Cultural Organisation (Unesco) that at least 10 per cent of a developing country's total research and development (R & D) budget be reserved for basic research, the NSDB has limited its financial support for chemistry, physics and mathematics to less than 1 per cent of its 30 million-peso (US\$4 million) grants-in-aid budget.

For instance, five research proposals in physics and chemistry costing about 175,000 pesos (US\$33,500) were denied NSDB funding in 1980 while on-going huge research grants each amounting to more than one million pesos (US\$135,000) each were easily cornered allegedly by close relatives and friends of top NSDB officials.

Sources say that the project leader of a three-year, multi-million peso research project called "Coastal Zone Management" is a relative of an NSDB official. Another project leader — this time, in "Science in-

dicators" and "Critical Analysis of Science and Development" — is also a relative of the same NSDB official.

An NSDB spokesman, however, says that the NSDB gives a sizable amount of research funds to basic research through the National Research Council of the Philippines, with its 1973-80 budget of 29.64 million pesos (US\$4.9 million) all supposed to be for basic research. He also cites NSDB support of 234,917-peso (US\$31,300) in the last three years for a doctorate programme in mathematics of the Ateneo University-La Salle University-University of the Philippines Consortium.

Dr Salvador Gonzales, a professor of theoretical physics at De La Salle, says that while the NSDB support for the mathematics doctorate programme looks big and generous, it was also partly funded by the National Economic Development Authority (NEDA). "Big deal," he says, "compared with the more than 200 million-peso (US\$27 million) NSDB budget, this is trivial. Divide 234,917 pesos by four (years) and then by six (students) and you have only 9,768 pesos (US\$1,305) for each scholar per year."

Critics feel that instead of concentrating limited funds on developing a few selected top in-

stitutions, as most developing countries have done, the NSDB has chosen to spread thinly its 80-million-peso (US\$8.8 million) "institution building programme" among 38 colleges and universities.

As a result, says Dr Posadas, while the science departments of the top universities in Malaysia and Singapore are now almost on par with Western standards, "we have to send our math doctorate students to Nanyang University (Singapore) for thesis dissertation. Look at the University Sains of Malaysia, which has 30 doctorates in physics alone which is more than the entire number of physicists we have."

Dr Posadas believes that NSDB policies and programmes are "still oriented to the perpetuation of our technological dependence on industrialized countries rather than self-reliance with no long-range and integrated plan for scientific and technological development."

While other Asian countries are already carrying out research and training programmes in solar cells, semiconductors, microelectronics, automation, etc., critics say the NSDB's R & D programmes are still largely focused on such problems as food processing, cottage industries, nutri-

tion, silkworm production, ceramic making, etc.

They also point out that the so-called chapter on science and technology plan incorporated in the National Economic Development Plan for 1982-87 is nothing but a one-page chapter which starts and ends on page 145 of the Plan. It merely lists down NSDB priority programmes without mentioning specific goals, strategies, methods of implementation and timetables for each programme.

Dr Posadas thinks that NSDB priorities are highly questionable and often senseless as portrayed by a proposed 40-million-peso (US\$5.3 million) Science Museum building, later disapproved by President Marcos.

Dr Posadas adds: "Can you imagine that? An expensive museum when our science and technology are so backward. And what do we need a science museum for? The natural science departments of the University of the Philippines — the country's foremost institution of higher learning — are themselves "science museums" since most of their laboratory equipment is so antiquated as to be fit only for museums or junkyards."

— DepEd news

PROGRESS REPORTED IN AGRARIAN REFORM, RURAL DEVELOPMENT

Kuala Lumpur BUSINESS TIMES in English 14 Apr 81 p 6

[Article by Peyton Johnson in Barangay Bunga]

[Excerpts]

MOST of the farmers of this rice valley in Central Luzon once worked the land they now own. Then they were mere tenant-tillers, or "share-croppers," as they would be known in much of the world.

Just one family owned most of the 1,173 hectares which are now the property of 415 families, or 2,167 people altogether, and improvement in yields and crop techniques came slowly and seldom. Barangay Bunga was hardly a model of farm efficiency or peasant prosperity.

The Philippine national agrarian reform is changing all of that today. And it is changing faster than most people of the region would have believed possible just a few years ago.

"I've worked this land since I was a boy," a young-old farmer told this correspondent. "But I never expected to own any of it. Well, now I do. Sometimes, I still can't believe it."

The area the farmer spoke of is the Manang Sergio agrarian reform project near Carangian town in Nueva Ecija province about 150 kilometres northeast of Manila.

"So far the project has been a success," said Hans Meliczek, a German expert of the United Nations Food and Agriculture Organisation (FAO). "It could turn out to be one of the richest rural areas of all Luzon, perhaps of all of the Philippines."

The Manang Sergio project, to cost about US\$500,000 from 1980 through 1990, is an ambitious experiment not only in agrarian reform, which often means many widely different things to as many different people, but in full-scale integrated rural development. The final aim is to greatly improve the quality of rural life.

The Manang Sergio effort, is of course, but a small part of the Philippines' overall programme of agrarian reform. The national programme seeks to transfer all tenanted rice and maize lands above seven hectares to the lands' actual tillers. In all such a national transfer would cover 400,000 share-croppers cultivating some 750,000 hectares.

Much has already been accomplished. As of last Jan. 1, 374,100 tenants had received land transfer certificates for 324,723 hectares.

All former owners are paid for their land at a price worked out between themselves and their former tenants. The tenant, once he receives his land, is not allowed to sell it. Should he attempt to do so, though this has not yet happened in the Philippines, the land can only be passed on by hereditary inheritance.

So far the Philippine Land Bank has paid out in cash US\$24 million to 4,087 former owners. Total claims approved for payment, including payment in government bonds, however, come to US\$105 million. Both sets of figures are growing every month and will continue to do so until the Philippine national agrarian reform is completed.

"Nobody is getting hurt too bad," Mr Meliczek said. "So tempers stay fairly cool and relations reasonably amiable. I call this agrarian reform with a smile."

Tenanted rice and maize lands of seven hectares or less will come under new leasehold arrangements to protect share-croppers against eviction or harassment. From now on, no tenant can be called on to pay a rental above 25 per cent of the harvest, in cash or in kind.

Under the new leasehold operation, as of the first of this year, 434,127 tenants had been issued registered contracts covering 400,000 hectares of land.

Almost no one, except perhaps a few disgruntled former landlords, would call the Philippine agrarian reform radical. It is designed to give the poorest Philippine farmers a better chance and to boost their production, through greater incentives, of the country's main staples — rice and maize. No one claims it is a panacea. Yet through increased production it has already given a boost to Philippine food security.

This is not to say the problems posed by agrarian reform are not considerable, sometimes enormous. In the first place, agrarian reform is never easy to achieve. The Philippines' national agrarian reform, though it is easily one of the most successful being carried out anywhere in the world today, is itself beset with many as yet unsolved problems.

"Forming really solid farmers' co-operatives is one big problem," Mr Meliczek said. "And then there is tenant identification, land valuation and the actual distribution of land, to mention a few other headaches."

"Agrarian reform is always difficult and complex," Mr Meliczek said. "Your plans and projects have to be suited to the country. Try too much too quick and you may get nothing, or even make the situation worse."

"Try too little too slowly or too late and you may be promoting civil strife or worse. Here we hope to avoid both types of breakdown. So far we have."

— Depthnews Special

CHANGES IN TOP ECHELONS OF GOVERNMENT, PARTY

Kuala Lumpur BUSINESS TIMES in English 15 Apr 81 p 6

[Article by Francis Daniel in Singapore]

[Text] FOUR government ministers resigned last week — but Prime Minister Lee Kuan Yew says it is for the good of Singapore.

For, in accepting their resignation, he sees another forward movement in his programme to give Singapore a new generation of political leadership before the end of the decade.

An official announcement said the four ministers of state and a parliamentary secretary had given up their posts to make way to fresh blood in the top echelons of Mr Lee's government.

Only three months ago, four Cabinet Ministers, including Dr Toh Chin Chye, chairman and founding member of the ruling People's Action Party (PAP), stepped aside for younger men under the tutelage of Mr Lee.

The PAP itself underwent a major overhaul soon after it made a clean sweep at the polls last December, with young newcomers aged 35 to 45 filling most of the top positions in its powerful executive committee.

PAP officials stressed that the changes, coming in rapid succession, did not reflect any division within the ruling party but were part of a deliberate process to transfer the leadership to well-tested younger men in the next 10 years.

Mr Lee has said that all the candidates aspiring to be Singapore's future leaders will be under his close scrutiny. And judging from last week's resignations, it is clear that not many can survive the Premier's political test.

One of the surprise resignations was that of 39-year-old Minister of State for Defence Bernard Chen who entered politics from the civil service only four years ago.

When Mr Chen first stood for elections on the PAP ticket, Mr Lee predicted that he would be "more than just an MP," and within a month the young politician was given his ministerial appointment.

But he has remained in the same post, apparently stagnating. According to informed sources he quit in disappointment and is expected to seek his fortune in the private sector.

The outgoing Minister of State for Labour, Sia Kah Hui, 38, has been a PAP stalwart since 1963. But his ministry recently came under official criticism over the handling of a wage dispute involving Singapore Airlines (SIA) pilots.

Mr Lee stepped in to resolve the dispute after SIA pilots went on a work-to-rule campaign in violation of Singapore labour laws.

Minister of State for Culture Chai Chong Yii, 45, has decided to call it a day and resume his profession as an accountant while Minister of State for Foreign Affairs Rahim Ishak has been given a diplomatic appointment.

Mr Lee himself has indicated that he will allow a younger man to step into his shoes by the turn of the decade, if he can find a worthy successor. At 57, he is one of the youngest prime ministers in Asia.

Although Mr Lee has yet to indicate his preference, the man who has been thrust into prominence is Tony Tan Keng Yam, a banker and educationist who entered politics only two years ago.

Mr Tan, 41, is Minister of Education and Vice-Chancellor of the National University of Singapore but in June he will take over the important Trade and Industry Ministry.

He was also chosen as first assistant secretary-general of the ruling party last December.

Other candidates regarded as likely successors to Mr Lee are Trade and Industry Minister Goh Chok Tong, who will become Second Defence Minister in June, and Communication and Labour Minister Ong Teng Cheong, who was recently re-elected PAP chairman.

Along with the government changes, the PAP executive committee also has undergone a major shakeup with all except Mr Lee and vice-chairman Ong Pang Boon giving up their top party posts and assuming the role of executive committee members.

First Deputy Premier Dr Goh Keng Swee gave up his party post as first vice-chairman. Three other old guards — Second Deputy Premier Sinnathamby Rajaratnam, Minister for Science and Technology and Law Edmund Barker and Senior Minister of State Lee Koon Choy — also became ordinary members.

Mr Lee said that all his older colleagues had stepped aside voluntarily to allow the younger leaders a more active role as part of a "process of self-renewal."

Opposition politicians say that all these changes are only to condition Singapore's 2.4 million people to the prospect of living without an opposition for an indefinite period.

"The PAP's self-rejuvenation tactics are to give the impression that Singaporeans have no choice but to carry on the present one-party system," one opposition leader said. — Reuter

GOVERNMENT MASSIVELY DEPENDENT ON EXTERNAL AID

Kuala Lumpur BUSINESS TIMES in English 13 Apr 81 p 6

[Article by Neville Jayaweera]

[Excerpt]

Anyone who visits Sri Lanka today, after an absence of three to four years, cannot help being impressed by the staggering and ubiquitous evidence of economic activity. By the end of the ill-fated "socialist" experiment of the Bandaranaike regime in 1977 the economy had virtually ground to a halt.

There was evidence of this everywhere — widespread shortages, lengthening queues, massive unemployment, a political insurrection of unparalleled virulence and the curtailment of civil freedoms.

Today, however, within three years of assumption to power of Sri Lanka's strongman, Mr J.R. Jayawardene, there has been a radical transformation of the scene or so it seems. The economy is humming.

Never before in the 33-year history of post-independent Sri Lanka has such a volume of activity surged through the economy as today "modernisation" and "development" are being pursued with an enthusiasm that is almost demonic.

Massive high rise buildings have transformed Colombo's landscape almost overnight.

A prestigious new capital city bearing the same name as the President is being constructed hastily. Foreign banks, newly opened, now dot Colombo's main thoroughfares. Tourists are pouring in by hundreds of thousands. Hotel rooms are booked out two years in advance.

Mr J.R. Jayawardene, arch-exponent of free enterprise, has hitched his wagon to the IMF star. He told them in effect: "You do not have to tell us what to do. We want to do all that, and more." Exchange control restrictions were lifted. The economy was thrown open to foreign investments. Trade was liberalised. Unlimited repatriation of profits and tax holidays were thrown in. The rupee was devalued by almost 75 per cent.

But where has the Jayawardene experiment of the IMF-dictated development led to? Let us assess the situation using only statistics put out both by the last Central Bank report and by the Minister of Finance in his 1981 budget speech.

Economic growth has fallen from 8.2 per cent in 1978, to 5.6 per cent last

year. Agricultural output has fallen from five per cent growth in 1978, to 1.7 per cent. The balance of payments deficit on the current account, one billion rupees in 1978, rose to 3.5 billion in 1979, and now stands at five billion. These deficits have been financed principally by the IMF and foreign aid.

Import prices have been rising by 52 per cent whereas export prices have risen only by nine per cent, and the volume of imports has risen by 23 per cent whereas the volume of exports has risen only by one per cent. The Minister of Finance says inflation is running only at 23 per cent, but Central Bank officials admit privately that it is nearer 40 per cent. In a gross turnover of 31.5 billion rupees, the 1981 budget shows a deficit of 15 billion.

Of the overall budget, 40 per cent is diverted to recurrent expenditure in sharp contrast to 13 per cent on recurrent expenditure in India, 16 per cent in Pakistan, 20 per cent in Singapore, 23 per cent in Malaysia and 19 per cent in South Korea.

But it is not recurrent expenditure that has ab-

sorbed the financial cuts needed to bridge the massive deficit. It is the development projects that have had their expenditure slashed by 30 per cent. And unemployment is still running at 15 per cent.

The reality is that the IMF-oriented free enterprise much vaunted by Mr Jayawardene has gone into a deep crisis. In an international situation of deepening recession, rising costs, spiralling inflation and mounting unemployment, the fortunes of Mr Jayawardene's government are no longer within his means to determine. They will be determined by the internal dynamics of international capitalism in crisis.

Today, Sri Lanka is dependent massively on external aid flows. It is the world's highest receiver of foreign aid. Sri Lanka received US\$65 per capita per annum, which is one third the per capita income GNP for the country. For how long more can Mr Jayawardene expect to receive these aid flows? And when they dry up, as they will, what then? — Third World Media

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